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TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATION BILL, 1987

JULY 30, 1986.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. ROYBAL, from the Committee on Appropriations, submitted the following

REPORT

together with

ADDITIONAL VIEWS

[To accompany H.R. 5294]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain Independent Agencies for the fiscal year ending September 30, 1987, and for other purposes.

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Summary of the Bill

The accompanying bill contains recommendations for new budget (obligational) authority for fiscal year 1987 for the Department of the Treasury, the U.S. Postal Service, various offices in the Executive Office of the President, and certain Independent Agencies. The following table summarizes these recommendations and reflects comparisons with the budget, as amended, and with amounts appropriated to date for fiscal year 1986:

Agency	New budget (obligational) authority, fiscal year 1986 enacted to date	Budget estimates of new (obligation) authority, fiscal year 1987	Recommended in the bill	Bill compared with—	
				New budget (obligation) authority fiscal year 1986	Budget estimate, fiscal year 1987
Title I, Department of the Treasury	$5,863,909,000	$5,950,261,000	$6,236,721,000	+$608,377,000	+$286,460,000
Title II, U.S. Postal Service	748,000,000	40,049,000	690,049,000	−25,787,000	+650,000,000
Title III, Executive Office of the President	97,392,000	100,899,000	95,491,000	+2,277,000	−5,400,000
Title IV, Independent agencies	6,702,638,000	6,765,021,000	6,772,176,000	+168,270,000	+7,155,000
Grand Total	13,411,939,000	12,856,230,000	13,794,437,000	+753,137,000	+938,207,000

Overall Funding for Treasury, Postal Service, and General Government Programs

In addition to the new obligational authority recommended in the accompanying bill, additional significant sums are made available each year for these same agencies under permanent authority which do not require consideration by the Congress during the annual appropriations process. The details of these items are contained in the tables at the end of this report. The principal items in this category include payment of interest on the public debt which alone is anticipated to reach $204 billion for fiscal year 1987, an amount the Committee believes may be understated; interest on Internal Revenue Service refunds of income tax payments; payment of some claims and judgments; payments in connection with the Civil Service Retirement and Disability Fund; and payment to Puerto Rico and the Virgin Islands for internal revenue and customs collections. Also included is an item for the presidential Election Campaign Fund. It is estimated that the fiscal year 1987 requirement for funds for these purposes will increase over fiscal year 1986 by approximately $7.4 billion.

The amounts recommended in the accompanying bill—in the form of new obligational authority—together with the funds provided under the permanent authority referred to above will provide approximately $275 billion during fiscal year 1987 for the agencies and activities under the general heading of this bill.

The following table reflects comparisons of the gross amounts for fiscal years 1986 and 1987 for these activities:

[In thousands of dollars]

	Fiscal year—		Increase (+) or decrease (−)
	1986	1987	
Treasury, Postal Service, and General Government appropriations	$13,041,300	$13,794,437	+$753,137
Permanent new budget authority	254,766,271	261,400,587	+6,634,316
Grand total	267,807,571	275,195,024	+7,387,453

In addition to the agencies whose funds are derived from direct appropriations and from permanent authority as shown in the above table and discussed in the preceding paragraph, there are other agencies that operate under authorities which exempt them from Congressional review, in whole or in part, during the annual appropriations process or, as a matter of fact, from any other regular oversight by the Congress. For example, the United States Postal Service, under the Postal Reorganization Act, is authorized to use all of its income from postage and services for its own purposes and to request an appropriation from the Congress for certain subsidies. Therefore, only the amount of the subsidy requirement is regularly reviewed by the Congress. In the Treasury Department the Office of the Comptroller of the Currency, whose income is derived principally from assessments paid by national banks, is exempt from Congressional review, because such assessments are not construed under law to be government funds.

General Statement

The accompanying bill recommends funds for the activities of the Treasury Department, payment into the Postal Fund of the United States Postal Service, most of the agencies within the Executive Office of the President, and certain independent agencies for the fiscal year 1987.

The Committee considered budget estimates for fiscal year 1987 in the total amount of $12,856,230,000 included in the President's amended budget request. The accompanying bill recommends new obligational authority of $13,794,437,000 for those agencies, an increase of $938,207,000 above the budget estimates for new obligational authority.

The amount recommended for fiscal year 1987 is $753,137,000 above the $13,041,300,000 appropriated to date for fiscal year 1986.

UNAUTHORIZED ITEMS PROPOSED IN THE BUDGET

For many years the Budget has proposed appropriation language and requested funds for activities and purposes not authorized by law.

The rules of the House specifically prohibit the inclusion of funds for unauthorized activities in appropriation acts as well as language which is legislative in nature. Many of these items have been carried in several appropriation bills each year for many years. Others have been deleted in the House, restored by the Senate, and returned by the conferees in "technical disagreement" for action by the Whole House. The inclusion of such items in an appropriation act does not set a precedent and confers no subsequent legislative authority for such appropriations.

PROBABLE EFFECT OF COMMITTEE ACTION ON PROJECTED BUDGET EXPENDITURES (OUTLAYS) IN FISCAL YEAR 1987

The recommended increase of $938,207,000 above the budget request in the accompanying bill for proposed new budget (obligational) authority and the effect of limitations on expenditures imposed on the Federal Buildings Fund in fiscal year 1987 would have the probable impact of increasing budget expenditures.

In view of the fact that most of the agencies covered by this bill deal in programs whose expenses are largely for personnel compensation, benefits, and related costs, the majority of the funds appropriated for such agencies will actually result in expenditures before the end of the fiscal year or very shortly thereafter. There are some exceptions of course, and those exceptions are noted in the appropriate paragraphs in this report.

TITLE I—DEPARTMENT OF THE TREASURY

Proposed Consolidation of Office of the Secretary and International Affairs Appropriation Accounts

The fiscal year 1987 budget request for the Office of the Secretary proposed that the international operations of the Office of the Secretary be merged with the Salaries and Expenses appropriation (which previously funded domestic policy operations, departmental oversight programs and general administration) to form a single appropriation account for the Office of the Secretary.

In 1979 this Committee established a separate appropriation account for international affairs activities in the Treasury Department. The purpose of the separate account was to provide the Committee and the Congress with information for oversight purposes concerning the international financial activities of the Treasury Department which are not a part of the normal departmental activities of the Treasury concerning domestic financial affairs. The Committee has, therefore, disallowed the proposed merger of appropriations and continues two appropriations for those two separate functions.

Office of the Secretary

Appropriation, fiscal year 1986 to date	$54,274,000
Sequestered amount	−3,299,000
Total, fiscal year 1986	50,975,000
Budget estimate, fiscal year 1987	57,642,000
Recommended in the bill	55,642,000
Bill compared with:	
Appropriation, fiscal year 1986	+4,667,000
Budget estimate, fiscal year 1987	−2,000,000

The Committee recommends an appropriation of $55,642,000, an increase of $4,667,000 above the appropriation level for fiscal year 1986 and a reduction of $2,000,000 below the fiscal year 1987 budget request.

The functions of the Secretary of the Treasury relate directly to the responsibilities of the Secretary of the Treasury as the chief financial officer of the Government, major policy advisor to the President and executive director of the Treasury Department. The Secretary has primary responsibility for:

—Formulating, recommending and implementing U.S. domestic and international financial policy and tax policy;

—Participating in the formulation of broad fiscal policies that have a significance on the economy;

—Managing the public debt and serving as the fiscal agent for the U.S. Government; and

—Overseeing the major law enforcement responsibilities of the Treasury Department.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

	Amount (millions)	Staff-years
Fiscal year 1986 appropriation (funded through continuing resolution)	$76.7	1,218
Gramm-Rudman-Hollings reductions	−3.3	
Revised fiscal year 1986 level	73.4	1,218
Changes proposed for fiscal year 1987:		
Increases for telecommunications	+1.4	
Fiscal year 1987 funding for continuation of previously approved program (conversion to digital telecommunications switch).		
Increase for buildings maintenance	+.4	
Maintenance of HVAC; cleaning and janitorial services; repair and maintain MT and annex elevators.		
Federal Financing Bank	+2.0	+19
Transfer to direct appropriation for salaries and expenses for Federal Financing Bank.		
Mandatory cost increases	+1.2	
Increases such as within grade salary increases, utilities, printing, supplies, etc.		
Adjustment ot reach continuing resolution program level	+3.3	
Nonrecurring costs	−.9	
Nonrecurring costs for Treasury watch office—equipment, A/C, and electrical generators.		
Personnel reductions	−.7	−9
Reduction in Office of State and Local Finance in view of elimination of general revenue sharing and reduction for underutilized fiscal year 1985 FTE.		
Fiscal year 1987 President's budget	80.1	1,228
Changes over fiscal year 1986	+6.7	+10

FEDERAL FINANCING BANK

The Committee has not allowed the $2,000,000 increase requested for funding the Federal Financing Bank. The Committee understands that the proposed method of funding the Bank is set forth in existing law and believes that until that law is changed, the Bank should continue to be financed in accordance with existing law.

INTERNATIONAL AFFAIRS

Appropriation, fiscal year 1985 to date	$22,442,000
Budget estimate, fiscal year 1986	
Recommended in the bill	22,442,000
Bill compared with:	
Appropriation, fiscal year 1985	
Budget estimate, fiscal year	+22,442,000

The Committee recommends an appropriation of $22,442,000, an increase of $22,442,000 above the fiscal 1986 budget request, and the same amount as authorized for 1986.

The activities and programs funded within this appropriation account are to provide the necessary analysis for and to implement international monetary and development financing policy. Additional staff support is provided in areas concerned with international investment, trade and balance of payments issues. The Committee has disallowed the proposed consolidation of this account with the Office of the Secretary.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

Appropriation, fiscal year 1986 to date	$23,803,000

Sequestered amount	−1,024,000
Total, fiscal year 1986	22,779,000
Budget estimate, fiscal year 1987	20,899,000
Recommended in the bill	29,499,000
Bill compared with:	
Appropriation, fiscal year 1986	+6,720,000
Budget estimate, fiscal year 1987	+8,600,000

The Committee recommends an appropriation of $29,499,000, an increase of $8,600,000 above the fiscal 1987 budget request, and an increase of $6,720,000 above fiscal year 1986.

The Federal Law Enforcement Training Center (FLETC) is an interagency training facility formally established in 1970 and charged with:

—Providing the necessary facilities, equipment and support services for conducting recruit, advanced, specialized and refresher training for law enforcement personnel of 59 participating organizations;

—Providing for maintenance, repair, alteration and minor construction of facilities; planning and curricula development; and operation of living quarters and food service; and

—Administering a reimbursable program to meet the needs of participating agencies and state and local law enforcement personnel.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

	Amount (millions)	Staff-years
Fiscal year 1986 appropriation (funded through continuing resolution	$23.8	256
Gramm-Rudman-Hollings reductions	−1.0	
Revised fiscal year 1986 level	22.8	256
Changes proposed for fiscal year 1987:		
Mandatory cost increases	+.6	
Maintenance of current level items, such as within-grade salary increases, supplies, telecommunications, etc.		
Productivity savings	−.1	
Savings in costs due to management initiated productivity improvements.		
Program increase to fund direct costs of basic training	+1.7	+5
The center in fiscal year 1987 will budget for the direct costs of basic training, i.e., all operational and instructional costs.		
Minor construction and maintenance	+.9	
Increase necessary to maintain facility.		
Fiscal year 1987 President's budget	20.9	261
Changes over fiscal year 1986	1.9	+5

ADDITIONAL FUNDING

The Committee has provided $8,600,000 above the budget request for increased anti-terrorist training and to provide for the full cost of all basic training. The center was established to provide law enforcement training to all Federal agencies wishing to participate in the program.

After reviewing the history of the Center's growth, development, and the success it has achieved in providing high quality law enforcement training to Federal officers and agents, the Committee

recognizes the need to reinforce the original precepts upon which the Center was established. In order to assure the availability of funding to provide basic training for employees of all participating organizations, control of program quality and content by the Center, standardization of training programs, and to prevent a return to the costly fragmentation of training programs and sites, the Committee is increasing the Center's FY 1987 Salaries and Expenses appropriation. This increase will provide 100 percent funding of basic training requirements. The Committee directs that the Department budget for full funding of basic training in the future. The increased funds will also provide for additional anti-terrorist training at levels determined by the Center.

Agencies that send students to the Training Center should budget for the transportation and per diem expenses of such students.

The Committee allows 261 positions, the number requested for fiscal year 1987 and an increase of 5 above the 256 positions authorized for fiscal year 1986.

Financial Management Service

SALARIES AND EXPENSES

Appropriation, fiscal year 1986 to date	$244,621,000
Sequestered amount	−10,519,000
Total, fiscal year 1986	234,102,000
Budget estimate, fiscal year 1987	251,117,000
Recommended in the bill	251,117,000
Bill compared with:	
Appropriation, fiscal year 1986	+17,015,000
Budget estimate, fiscal year 1987	

The Committee recommends an appropriation of $251,117,000, the full amount of the fiscal year 1987 budget request, and an increase of $17,015,000 above fiscal year 1986.

The Financial Management Service is responsible for the central fiscal operations of the government, which include:

—Central payment services for most civilian executive agencies and claims processing for lost, stolen, and forged checks;
—Accounting services including maintenance of central accounts related appropriations, receipts, and expenditures;
—Checking account facilities for government disbursing offices;
—Compilation and publication of government financial statements and other financial reports; and
—Establishment of government-wide cash management policies and oversight of cash management practices.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

	Amount (millions)	Staff-years
Fiscal year 1986 appropriation (funded through continuing resolution	$244.6	2,294
Gramm-Rudman-Hollings reductions	−10.5	
Revised fiscal year 1986 level	234.1	2,294
Changes proposed for fiscal year 1987:		
Financial assets management	+1.2	+20

	Amount (millions)	Staff-years
Improvement activities in cash and credit management and in collecting and safeguarding Government funds, dissemination of appropriate techniques and procedures to Government agencies.		
Accelerated delivery systems	+2.0	
Optical character recognition (OCR) equipment for reading paper checks; promote increased use of direct deposit/electronic fund transfers (DD/EFT) governmentwide.		
Financial information utilization	+3.9	+12
Development of standardized governmentwide financial data base for improved reporting and analysis, leading to sound financial management policies and resource utilization.		
Security/FMFIA (Federal Managers Financial Integrity Act)	+1.7	
Establish security policies and procedures responsive to new technologies in financial management, including security of physical premises and automated systems in regional financial centers.		
Headquarters consolidation II	+2.6	
Move to Liberty Loan Building (LLB) under phase II of congressionally directed relocation. Includes LLB upgrades necessary for sophisticated technological equipment.		
Quality assurance	+.9	
Integrity of ADP systems "life cycle": design, implementation, and maintenance. Reliability and standardization are built into systems development, leading to greater efficiency and lower costs.		
Human resource utilization	+.1	
Retraining of personnel in response to changing technology and FMS mission, thereby minimizing employee replacement.		
Adjustment to reach continuing resolution program level	+10.5	
Resumption of operating level necessary to achieve service objectives.		
Increased costs to maintain current program levels	+11.5	
Compensation and benefits ($1.0 million).		
Rent ($2.7 million).		
ADP leases and maintenance ($1.5 million).		
Supplies/materials ($.9 million).		
Treasury Tax and Loan Program operation ($4.0 million).		
Other ($1.4 million).		
Nonrecurring costs	−12.5	
1-time contracts associated with governmentwide accounting, computer upgrades, human resources utilization, servicewide security; and 1-time expenses for paper check stockup, space alteration, and miscellaneous: ($6.0 million).		
1-time costs associated with ADP equipment for headquarters computer upgrade, furniture, and lead agency projects: ($6.5 million).		
Productivity savings	−4.9	−32
Management and modernization improvements at regional financial centers. Includes transfer of 16 FTE to the State Department for Western Hemisphere disbursing operations: ($.9 million).		
Postage and envelopes due to increased use of DD/EFT: ($3.3 million).		
Card check stock due to full implementation of paper check conversion project; printing and reproduction: ($0.7 million).		
Fiscal year 1987 President's budget	251.1	2,294
Changes from 1986 budget	+17.0	

The Committee allows the 2,294 positions requested for fiscal year 1987, the same number of positions as authorized for fiscal year 1986.

Bureau of Alcohol, Tobacco, and Firearms

Appropriation, fiscal year 1986 to date	**$174,212,000**
Sequestered amount	**7,491,000**
Total, fiscal year 1986	**166,721,000**
Budget estimate, fiscal year 1987	**178,463,000**
Recommended in the bill	**190,463,000**

Bill compared with:

Appropriation, fiscal year 1986	+23,242,000
Budget estimate, fiscal year 1987	+12,000,000

The Committee recommends an appropriation of $190,463,000, an increase of $12,000,000 above the fiscal 1987 budget request, and an increase of $23,242,000 above fiscal year 1986.

The Bureau of Alcohol, Tobacco, and Firearms (BATF) is responsible for the enforcement of the laws designed to eliminate certain illicit activities and to regulate lawful activities relating to distilled spirits, beer, wine, and non-beverage products, tobacco, firearms, and explosives.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

	Amount (millions)	Staff-years
Fiscal year 1986 appropriation (funded through continuing resolution)	$174.2	2,941
Gramm-Rudman-Hollings reductions	−7.5	
Revised fiscal year 1986 level	166.7	2,941
Changes proposed for fiscal year 1987:		
Mandatory cost increases	+8.9	
Maintenance of current level items, such as within-grade salary increases and increased cost items.		
Adjustment to reach continuing resolution program level	+7.5	
Program reduction: Law Enforcement Tobacco Program	−3.0	−60
Responsibility for contraband cigarette programs will be transferred to the States. The withdrawal of Federal presence from the enforcement of this law should not reverse the progress which has been made to date, i.e., the increase in State tobacco tax collections.		
Program reduction: Compliance Operations Alcohol Program	−1.6	−31
This reduction will be confined to the product and market integrity subprogram, which oversees the enforcement of the Federal Alcohol Administration (FAA) Act.		
Fiscal year 1987 President's budget	178.5	2,850
Changes over fiscal year 1986	+11.8	−91

Additional Funding

CIGARETTE SMUGGLING

The Committee has restored the $3,000,000 and 60 staff-years for the continued enforcement of cigarette smuggling program in 1987. Public Law 95–575 was enacted on November 2, 1978, to eliminate racketeering in the sale and distribution of cigarettes. This program has been directed toward investigating principal traffickers in contraband cigarettes, their sources and distributors. The major emphasis has been toward combatting commercial interstate smuggling operations involving organized crime and those violations which cannot be jurisdictionally addressed by State and local law enforcement agencies. BATF should continue to concentrate its resources in those areas where overall coordination can be provided centrally more effectively and efficiently than can be done by the States individually. Inasmuch as the States share this responsibility, these States have begun to develop the technical and enforcement expertise required to prevent trafficking in contraband cigarettes. The Bureau is directed to continue assisting the States in

this important program in 1987 at the same level provided to the States in 1986.

ADDITIONAL FUNDING

The Committee has provided an additional $9,000,000 (in addition to the $3,000,000 for the cigarette smuggling program) to be utilized for the following purposes:

1. Restore 31 positions to the Revenue Protection Program.
2. Increase enforcement level in the area of excise and special occupational tax collection.
3. Increase firearms interdiction efforts in the Southwest Border area of the United States.
4. Expand programs which impact on armed career criminals.
5. Update and refine law enforcement communication systems.
6. Expand alcoholic beverage testing programs.

In the alcohol revenue protection area, BATF conducts a variety of field examinations and also does office reviews and analyses of returns, claims and reports. This is done to ensure payment of more than $5 billion in taxes annually, plus protection of another $17 billion in bonded liabilities. The inspections and reviews serve both to identify and correct underpayment of taxes and as a deterrent effect for the rest of the industry.

Effective deterrence can only be created by active, visible, and consistent enforcement efforts. Because of increased workload and reduced staffing through the years, BATF's presence in the industry has also been reduced. Tax compliance slippage has become evident with special problems in the area of diversion of untaxpaid goods, exports, thefts, and loss of revenue in business failure situations.

FEDERAL ALCOHOL ADMINISTRATION

The Committee has continued the provision in the bill mandating funding for enforcement of the Federal Alcohol Administration Act at a minimum level of $15,000,000. This amount is the same as that which was appropriated for fiscal year 1986. The Committee believes that uniform enforcement of this Act can best be accomplished at the federal level. The capability of insuring compliance with the law varies greatly from state to state. The Committee believes the Bureau of Alcohol, Tobacco and Firearms, already in operation and staffed with experienced personnel, can more efficiently and economically enforce the federal alcohol laws of this country that the states would be able to do on an individual basis. Rather than require each state to establish laboratories and train personnel in this fairly complex area of law enforcement, the Committee directs that the Bureau continue to enforce the alcohol law at the same levels it was enforced in prior years. The Committee is concerned about possible revenue losses which might result from a great reduction in personnel.

The Committee allows 3,151 positions, an increase of 301 over the 2,850 requested for fiscal year 1987, and an increase of 210 over the 2,941 positions authorized for fiscal year 1986.

UNITED STATES CUSTOMS SERVICE

SALARIES AND EXPENSES

Appropriation, fiscal year 1986 to date	$717,000,000
Sequestered amount	−30,831,000
Supplemental (PL 99-349)	30,831,000
Total, fiscal year 1986	717,000,000
Budget estimate, fiscal year 1987	693,000,000
Recommended in the bill	793,000,000
Bill compared with:	
Appropriation, fiscal year 1986	+$76,000,000
Budget estimate, fiscal year 1987	+$100,000,000

The Committee recommends an appropriation of $793,000,000, an increase of $100,000,000 above the fiscal 1987 budget request, and an increase of $76,000,000 above fiscal year 1986.

Customs is charged with administering the Tariff Act of 1930, as amended, which includes:

—Control, regulation, and facilitation of carriers, persons, and commodities entering from foreign countries;

—Collection of revenues from duties, taxes, and fees related to international traffic and trade;

—Protection of American industry and consumers against introduction of hazardous and noxious products into the United States;

—Detection, interdiction, and/or investigation of the smuggling of contraband;

—Customs also participates in the administration and enforcement of some 400 other provisions of laws and regulation of 40 other agencies which also govern international traffic and trade.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

Salaries and expenses	Amount (millions)	Staff-years
Fiscal year 1986 appropriation (funded through continuing resolution)	$717.0	14,041
Gramm-Rudman-Hollings reductions	−30.8	−777
Revised fiscal year 1986 level	686.2	13,264
Changes proposed for fiscal year 1987:		
Automated commercial system	+3.0	
The request would continue expansion of the ACS, which is designed to be a comprehensive computer system encompassing all major Customs commercial activities.		
Treasury Enforcement Communications System	+8.0	
The thrust of this initiative is to replace the current 15 year old Treasury Enforcement Communications System (TECS) with a comprehensive enforcement data base management system with state-of-the-art hardware, software and data base management systems.		
Mandatory increases	+24.8	
Maintenance of current level items, such as within-grade salary increases and cost increases.		
Nonrecurring items	−3.7	
Nonrecurring items such as 1986 equipment funding for the wind tunnel, fiber optics, and the centralized administrative services program.		
Management savings	−21.2	−770
Management savings related to automation initiatives (150 FTE and $3.8M), operational efficiencies derived from streamlining port operations (235 FTE and $7.7 million), and selective hiring policy (385 FTE and $9.7 million).		
Fiscal year 1987 President's budget	693.0	12,494

Salaries and expenses	Amount (millions)	Staff-years
Changes over fiscal year 1986	+6.8	−770

INCREASED FUNDING FOR CUSTOMS PERSONNEL

The Committee has restored 1,547 positions that the Administration proposed to eliminate in 1987. In addition the Committee has provided additional funding for 850 additional Customs personnel. The Committee has included a directive in the bill requiring Customs to hire and maintain an average of 14,891 full-time equivalent personnel during fiscal year 1987. The Committee believes that the high level of drug abuse and related crime in this country requires a strong law enforcement effort to stem the tide of illicit drugs coming into the United States. The proposed reduction would also slow down the processing of visitors to this country and of our own citizens returning from abroad. Further, this reduction would also slow down the processing of commercial goods being imported to the United States. And more importantly, this reduction would have a severe adverse impact on the government's ability to interdict the flow of illegal drugs and other contraband into the country, as well as on its ability to prevent the illegal exportation of high technology items to unfriendly countries.

The number of personnel assigned to certain areas of the country have been decreasing despite ever increasing workloads. The Committee has provided funding for additional positions in certain high priority areas in this bill.

Los Angeles District	150
Port of Oakland	10
Seattle District	40
El Paso District	25
San Diego District	20
Hawaii District	24
Baltimore District	12
Dallas/Fort Worth	25
Total	306

The remaining positions funded in this bill are to be assigned to high priority districts.

REPORT ON POSITIONS

The Committee is concerned about the apparent lack of response to the Committee's requests regarding both the assignment of personnel to certain geographic locations, and the total number of personnel in the Customs Service. The Committee has provided funding for additional personnel and has directed that those personnel be assigned to certain districts. The Committee intends to carefully monitor the action of the Treasury Department in implementing the terms of this report.

SATELLITE II, LOS ANGELES, CA

The Customs Service is directed to continue to provide Customs service at the Los Angeles Airport facility known as Satellite II.

The Committee is convinced that sufficient traffic exists to warrant the continuation of that facility.

Funds are provided in the bill for that purpose.

SOUTHWEST BORDER DRUG INTERDICTION INITIATIVE

The Committee requests the Customs Service to report no later than thirty days within enactment detailed information pertaining to the Southwest Border Drug Interdiction Initiative. The Committee understands that up to 200 personnel are to be placed along the Southwest border to increase drug interdiction efforts. The Committee supports the initial intent of the proposal and is interested in the process the Customs Service will use to allocate the additional personnel, whether such personnel will be transferred from existing posts or new hires, and what increases in the operations of the Air Interdiction Program are anticipated

CONSOLIDATION OF ADMINISTRATIVE FUNCTIONS

If savings in salaries and expenses result from the consolidation of administrative functions within the Customs Service, the Commissioner of Customs shall apply those savings, to the extent they are not needed to meet emergency requirements of the Service, to strengthening the commercial and air interdiction operations of the Service by increasing the number of inspector, import specialist, patrol officer, and other line operational positions.

PAIRED PROGRAM

The Committee notes with concern the continued testing and expansion of the port of arrival immediate release and enforcement determination (paired) program. Paired permits the filing of Customs entries in one port in order to release goods that arrive in another. "Testing" began in October, 1984, for the ports of Atlanta and Savannah. It has since been expanded to include several additional districts and ports in different Customs districts in apparant contradiction to legislative intent as well as Customs regulations which require the filing of entries in the district where the goods are released. Customs recently issued a directive announcing the implementation of the program nationwide. The Committee believes that Customs has a responsibility to synthesize its test results for Congress before establishing the program nationwide. The Committee therefore directs Customs to perform the necessary analysis of the existing test program and submit that data and justification to the subcommittee and other appropriate congressional committees.

OPERATION EXODUS

The Committee has included all of the funds requested for the continuation of Operation EXODUS. Over the past several years, the Soviet Union and her allies have undertaken a major coordinated effort to obtain sophisticated U.S. manufactured or designed high technology items to enhance their own economic and defense capabilities. The rapid exportation of sophisticated strategic defense items, smuggled out of the country by clandestine and fraud-

ulent means, poses a national security threat to this country and our allies. The funding requested by the Administration and recommended by the Committee will allow the Customs Service to aggressively counter this threat by utilizing integrated enforcement teams at specific ports of exportation of high and critical technology to the Soviet Union and other communist block countries.

HAWAII

Based upon evidence collected during a recent review of Customs operations in Hawaii, the Committee believes that hiring part-time and temporary Customs inspectors is the most efficient way to address the extensive delays caused when large volumes of passengers arrive at Honolulu International Airport within a short period of time. Therefore, the Committee has provided funds for hiring part-time and temporary personnel to relieve this problem. The additional Customs staff are meant to enhance and not supplant the current staff levels in the Honolulu Customs District.

PONTIAC/OAKLAND AIRPORT

The Committee notes that Pontiac/Oakland Airport is the largest aviation field in Michigan, often exceeding Detroits number of operations during the year. Many other smaller airports are already designated customs ports of entry in Michigan, but none as close to the auto producers of that State. The Committee therefore requests that the Secretary of the Treasury exercise the authority allowed him under the law to designate the airport at Pontiac/Oakland, Michigan as a reimbursable customs port of entry.

SINGLE 8-HOUR SHIFTS AT AIRPORTS

The Congress included a provision in the Fiscal Year 1986 Urgent Supplemental Appropriations Act, P.L. 99-349, prohibiting the implementation of single eight hour shifts at airports by the Customs Service and the establishment of user fees for any additional shifts. The Committee continues this prohibition in the absence of any detailed proposal for single shifts at airports.

OPERATIONS AND MAINTENANCE, AIR INTERDICTION PROGRAM

Appropriation, fiscal year 1986 to date	$75,000,000
Sequestered amount	−3,225,000
Pending supplemental	3,225,000
Total, fiscal year 1986	75,000,000
Budget estimate, fiscal year 1987	54,700,000
Recommended in the bill	67,200,000
Bill compared with:	
Appropriation, fiscal year 1986	−7,800,000
Budget estimate, fiscal year 1987	+12,500,000

The Committee recommends an appropriation of $67,200,000, an increase of $12,500,000 above the fiscal 1987 budget request, and a decrease of $7,800,000 below fiscal year 1986.

The Customs Air Interdiction Program combats the illegal entry of narcotics and other contraband into the United States. This ap-

propriation provides total operations and maintenance for the Customs air program.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

Air operations and maintenance	Amount (millions)	Staff-years
Fiscal year 1986 appropriation (funded through continuing resolution)	$75.0	
Gramm-Rudman-Hollings reductions	−3.2	
Proposed rescission	−19.3	
Revised fiscal year 1986 level	52.5	
Changes proposed for fiscal year 1987:		
Additional costs, increased costs, maintenance of current level items, and annualization of current year approved increases.	+2.2	
Fiscal year 1987 President's budget	54.7	

The Committee recommends $12,500,000 over the amount requested by the President for the Operations and Maintenance, Air Interdiction Program of the U.S. Customs Service in FY 1987. This appropriation level is consistent with the amount of funding provided in FY 1986. Further, it is intended that this allow for the procurement and placement of the Southwest aerostat.

RADAR DETECTION

The Committee intends to assist the U.S. Customs Service in fighting the importation of illegal narcotics by strengthening its Air Interdiction Program, particularly along the southern border. The Customs Service has acknowledged deficiencies in its radar detection system and the Committee hereby resolves to address this shortcoming.

Therefore, the Committee directs the United States Customs Service to allocate $235,000 within its Air Interdiction Program for a feasibility and application study for a low level radar detection system in collaboration with the Los Alamos National Laboratory (LANL). LANL has developed a low-level radar detection system which could be used in a variety of applications. The Committee proposes a collaborative effort between LANL and Customs to determine the feasibility of using this system for low-altitude aircraft intrusion. LANL would build a test/evaluation module as proof of principle. Test and evaluation will be performed jointly with U.S. Customs. Project duration will be 12 months from the start of funding.

SAN DIEGO, CA

The Committee directs the Customs Service to allocate $2.5 million, within available funds, for planning, design and construction of an operations and control facility and hanger at North Island, NAS, California.

CUSTOMS FORFEITURE FUND

(LIMITATION ON AVAILABILITY OF DEPOSITS)

Appropriation, fiscal year 1986 to date	($8,000,000)
Sequestered amount	(−344,000)
Total, fiscal year 1986	(7,656,000)
Budget estimate, fiscal year 1987	(8,000,000)
Recommended in the bill	(8,000,000)
Bill compared with:	
Appropriation, fiscal year 1986	(+344,000)
Budget estimate, fiscal year 1987	(.....)

The Committee recommends an appropriation of $8,000,000, the full amount of the fiscal 1987 budget request, and an increase of $344,000 above fiscal year 1986.

Public Law 98–573 and Public Law 98–473 authorized Customs to establish a Customs Forfeiture Fund. Seized and forfeited currency and any proceeds beyond the expenses of seizure and forfeiture of merchandise are deposited into this account. Use of these funds is limited to the following: (1) expenses related to seizure; (2) awards to informants; (3) payments of liens related to seizures; (4) equipping forfeited vessels, vehicles and aircraft; (5) payment of claims of parties of interest to property disposed"; (6) purchase of evidence; and (7) destruction of drugs.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

	Amount (millions)	Staff-years
Revised fiscal year 1986 level	$7.7	.....
Changes proposed for fiscal year 1987:		
Additional costs	+.3	.....
Customs Forfeiture Fund expenditures are proposed to be increased from $7.7 million in FY 1986 to $8.0 million in FY 1987 to meet current needs. Seized and forfeited currency and any proceeds beyond the expenses of seizure and forfeiture of merchandise are deposited into this account. Use of these funds is limited to expenses related to seizure, equipping forfeited vessels, vehicles and aircraft and similar expenses, and subject to the appropriations process.		
Fiscal year 1987 President's budget	$8.0	.....

CUSTOMS SERVICES AT SMALL AIRPORTS

(TO BE DERIVED FROM FEES COLLECTED)

Appropriation, fiscal year 1986 to date	($75,000)
Sequestered amount	(.....)
Total, fiscal year 1986	(75,000)
Budget estimate, fiscal year 1987	(365,000)
Recommended in the bill	(365,000)
Bill compared with:	
Appropriation, fiscal year 1986	(+290,000)
Budget estimate, fiscal year 1987	(.....)

The Committee recommends an appropriation of $365,000, the full amount of the fiscal 1987 budget request, and an increase of $290,000 above fiscal year 1986.

Customs charges user fees at certain small airports where the volume or value of business is insufficient to justify the availability of Customs services. The funds generated from these user fees are applied to expenditures incurred in providing Customs services at each of these designated small airports.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

User fees at certain small airports	Amount (millions)	Staff-years
Fiscal year 1986 appropriation (funded through continuing resolution)	$0.1	1
Gramm-Rudman-Hollings reductions		
Revised fiscal year 1986 level	$.1	1
Changes proposed for fiscal year 1987:		
Additional costs	+.3	+5
User Fees at Certain Small Airports are proposed to be increased in FY 1986 from $75,000 to $365,000 in FY 1987. Customs charges user fees at certain small airports where the volume or value of business is insufficient to justify the availability of Customs services. Increased costs, maintenance of current level items, and annualization of current year approved increases total $2.0 million.		
Fiscal year 1987 President's budget	$.4	6

The Committee allows 6 positions, the number requested for fiscal year 1987 and an increase of 5 above the 1 position authorized for fiscal year 1986.

UNITED STATES MINT

Appropriation, fiscal year 1986 to date	$46,500,000
Sequestered amount	−2,000,000
Total, fiscal year 1986	44,500,000
Budget estimate, fiscal year 1987	47,808,000
Recommended in the bill	43,508,000
Bill compared with:	
Appropriation, fiscal year 1986	−992,000
Budget estimate, fiscal year 1987	−4,300,000

The Committee recommends an appropriation of $43,508,000, a $4,300,000 decrease below the fiscal 1987 budget request, and a decrease of $992,000 below fiscal year 1986.

The United States Mint is responsible for:

—Manufacturing all U.S. coins—17.2 billions coins to be produced for the domestic economy in FY 1987.

—Distributing coin to and among Federal Reserve Banks and branches, who release them to commercial banks; and

—Maintaining physical custody of Treasury stocks of gold and silver and handling various deposit transactions.

The Mint also performs, on a reimbursable basis, the manufacture and sale of numismatic items: coin sets, proof and uncirculated coins, commemorative coins, medals of a national character, the Statue of Liberty-Ellis Island Commemorative Coin, the Silver Bullion Liberty Coin, and the recently enacted U.S. Gold Bullion Coin; and some manufacturing of foreign coins.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

	Amount (millions)	Staff-years
Fiscal year 1986 appropriation (funded through continuing resolution)	$46.5	990
Decrease domestic coin production		−30
Gramm-Rudman-Hollings reductions	−2.0	
Revised fiscal year 1986 level	44.5	960
Changes proposed for fiscal year 1987:		
Mandatory cost increases	+1.4	
Increased costs of within grade increases, supplies, utilities, and printing.		
Adjustment to reach continuing resolution program level	+2.0	
Increase coin production	+1.4	+37
Projected increase in domestic coin production to 17.2 billion coins.		
Increased R&D activities	+.2	
R&D projects and related equipment to enhance production technology.		
Nonrecurring costs	−1.7	
1-time equipment purchases and A&E contract.		
Fiscal year 1987 President's budget	47.8	997
Changes over fiscal year 1986	+3.3	+37

The Committee has been informed by the Department that the $4,300,000 is not needed in fiscal year 1987.

The Committee allows 997 positions, the number requested for fiscal year 1987 and an increase of 37 above the 960 positions authorized for fiscal year 1986.

EXPANSIONS AND IMPROVEMENTS

Appropriation, fiscal year 1986 to date	
Sequestered amount	
Total, fiscal year 1986	
Budget estimate, fiscal year 1987	$694,000
Recommended in the bill	694,000
Bill compared with:	
Appropriation, fiscal year 1986	+694,000
Budget estimate, fiscal year 1987	

The Committee recommends an appropriation of $694,000, the full amount of the fiscal 1987 budget request, and an increase of $694,000 above fiscal year 1986.

This appropriation will be used for the expansion of and improvements to existing Mint facilities in order to increase production capacity and alleviate production problems concerning health, noise, and congestion.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

Expansion and improvements	Amount (millions)	Staff-years
Fiscal year 1986 appropriation (funded through continuing resolution)		
Changes proposed for fiscal year 1987:		
Expansion and improvements	+$0.7	
Completion of the materials handling project at Denver.		
Fiscal year 1987 President's budget	.7	

BUREAU OF THE PUBLIC DEBT

Appropriation, fiscal year 1986 to date	$195,225,000
Sequestered amount	8,395,000
Total, fiscal year 1986	186,830,000
Budget estimate, fiscal year 1987	218,564,000
Recommended in the bill	218,564,000
Bill compared with:	
Appropriation, fiscal year 1986	+31,734,000
Budget estimate, fiscal year 1987	

The Committee recommends an appropriation of $218,564,000, the full amount of the fiscal 1987 budget request, and an increase of $31,734,000 above fiscal year 1986.

This appropriation funds two Treasury organizations: The Bureau of the Public Debt and the U.S. Savings Bonds Division.

Major concerns of the Bureau of the Public Debt encompass:

—Issuing, servicing and retiring public debt securities; and

—Accounting for the debt and its related interest costs.

The U.S. Savings Bonds Division promotes the sale of savings bonds to help finance the public debt in the least expensive and least inflationary way possible, while encouraging individual Americans to save a portion of their money for later use.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

	Amount (millions)	Staff-Years
Fiscal year 1986 appropriation (funded through continuing resolution	$195.2	2,663
Gramm-Rudman-Hollings Reductions	−8.4	
Revised fiscal year level	186.8	2,663
Changes proposed for fiscal year 1987:		
Technological improvements	+5.0	+5
Funding for second phase of a multiyear project to replace the Bureau's mainframe computer.		
Other program increases:		
Savings bonds workload increase of 9 percent for sales and 4 percent for redemptions	+4.6	+8
Microfilming contract for archived ledgers	+ .2	
Consumer and Media Information for promoting savings bond sales	+ .5	
Adjustment to reach continuing resolution program level	+8.4	
Resumption of operating level necessary to achieve Bureau objectives.		
Mandatory cost increases	+5.3	
Maintenance of current level items, such as within-grade salary increases; and cost increases for supplies, telecommunications, rent, contractual services.		
1-time cost savings	−3.4	
Nonrecurring costs of: equipment purchases, site preparation and rent, contractual services, supplies, transportation, and training.		
Productivity savings	−2.2	−150
Savings resulting from the move to full book entry ("Treasury Direct") for Treasury bills, notes, and bonds; and savings resulting from use of OCR/MICR scanners for processing newly issued savings bonds.		
Program increase	+13.5	
Legislative proposal not yet transmitted or enacted.		
Fiscal year 1987 President's budget:	218.6	2526
Changes over fiscal year 1986:	+31.7	−137

Note: This appropriation funds 2 Treasury Bureaus: The Bureau of the Public Debt and the U.S. Savings Bonds Division.

The Committee allows the 2,253 positions requested for fiscal year 1987, a reduction of 137 below the 2,390 positions authorized for fiscal year 1986.

INTERNAL REVENUE SERVICE

SUMMARY

Appropriation, fiscal year 1986 to date	$3,642,776,000
Reduction under P.L. 99-177 (GRH)	−156,639,000
Supplemental (P.L. 99-349)	+340,000,000
Total, fiscal year 1986	3,826,137,000
Budget estimate, fiscal year 1987	4,097,792,000
Recommended in the bill	4,247,792,000
Bill compared with:	
Appropriation, fiscal year 1986	+421,655,000
Budget estimate, fiscal year 1987	+150,000,000

The Committee recommends an appropriation of $4,247,792,000 an increase of $150,000,000 above the fiscal 1987 budget request, and an increase of $421,655,000 above fiscal year 1986.

The Internal Revenue Service is charged with administering the Federal tax system which includes:

—Assisting the Taxpayer—interpreting the tax code and communicating such interpretation to the public;

—Collecting the Revenue—processing all returns, math verification, issuing refunds, and accounting for tax receipts (over 90% collected through service center processing);

—Enforcing the Law—the major enforcement and revenue-producing programs of the service (audit of tax returns, collection of delinquent tax accounts, securing returns from non-filers, recommending prosecution for fraudulent taxpayers);

—Managing the System—the support activities as well as major research efforts, such as the taxpayer compliance measurement program, the basic research program for estimating the nature and extent of taxpayer compliance.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

	Amount (millions)	Staff-years
Fiscal year 1986 appropriation (funded through continuing resolution)	$3,642.8	86,774
Gramm-Rudman-Hollings reductions	−156.6	.....
Proposed supplemental:		
Tax Processing	+140.2	+5,558
Taxpayer Service	+40.8	+670
ADP Systems	+14.8	.....
Revenue Init. Advance Hiring	+14.5	+332
Other Tax Enforcement	+12.4	+318
Unitary Tax	+3.0	+72
Mandatory Cost Increases	+42.2	.....
Maintain 1986 Revenue Collections	+72.1	.....
Subtotal	+340.0	+6,950
Revised fiscal year 1986 level	3,826.1	93,724
Changes proposed for fiscal year 1987:		
Mandatory cost increases	+138.9	+132
Maintenance of current level items, such as within-grade salary increases, supplies, telecommunications, space rental charges, etc.		
Adjustment to reach continuing resolution program level	+156.6	.....
Workload-related increases	+10.5	+473
Increases for returns related to projected growth of 2.9 percent in returns filed.		
Revenue initiative	+94.4	2,500

	Amount (millions)	Staff-years
Represents full year funding in fiscal year 1987 for 2,500 new positions in the examinations program to collect additional revenue ($600 million in fiscal year 1987); part of three year program to expand examinations by 7,500 positions.		
Tax shelter initiative	+20.7	+465
Additional staffing to accelerate litigation of appeals tax shelter cases now pending in IRS inventory—results in additional reveneue collections of $600 million in fiscal year 1987.		
Information Returns Program	+21.0	+795
Followup of underreporter cases identified through the matching of wage and information documents with the tax return.		
ADP systems	+51.8	+82
Funding for tax enforcement systems improvments, primarily the automated examination system which will result in $326 million in additional revenue in fiscal year 1987.		
Unitary tax proposal	+1.0	+23
Continuation of unitary examinations begun in fiscal year 1986.		
One-time reductions	−223.2	−3,110
One-time costs and savings associated with the 1986 supplemental request and staff expansion.		
Fiscal year 1987 President's budget	4,097.8	95,084
Change over fiscal year 1986	+271.7	+1,360

SUMMARY BY APPROPRIATION ACCOUNT (PRESIDENT'S BUDGET)

	Amount (millions)	Staff-years
Fiscal year 1986:		
Salaries and expenses	90.0	2,071
Processing tax returns	1,213.7	28,944
Examinations and appeals	1,427.1	35,923
Investigations, collection, and taxpayer service	1,095.3	26,786
Total, IRS	3,826.1	93,724
Fiscal year 1987:		
Salaries and expenses	95.1	2,044
Processing tax returns	1,262.9	27,327
Examinations and appeals	1,603.2	38,974
Investigations, collection, and taxpayer service	1,136.6	26,739
Total, IRS	4,097.8	95,084

The Committee has been very concerned for several years about the inadequate budget for the Internal Revenue Service. Year after year the Committee has restored funds to IRS and proposed additional resources to strengthen tax processing and tax collection. Despite these efforts, the Administration has restricted IRS in its budget requests. Last year, the President vetoed the 1986 appropriations bill, only to resubmit, a few months later, a major supplemental request for tax administration.

The Committee believes that inadequate funding has contributed to the decline in voluntary compliance and the increase in the amount of tax due which should be paid. Current estimates indicate that this tax gap will exceed $100 billion in fiscal year 1987, while audit coverage has declined to its lowest level ever, 1.14%. The Congress, indeed the taxpaying public, cannot accept billions of dollars being lost in needed revenues because of inadequate resources for the Internal Revenue Service. The Committee hopes

that the Administration now recognizes the plight of tax administration. The budget request submitted by the President makes an initial start in reversing years of neglect. Additional resources are recommended to (1) implement a major revenue initiative which will increase tax examination and produce over $10 billion in needed revenues through 1991; (2) automate the basic examination system; (3) reduce backlogs of disputed cases now in appeals and tax litigation; and (4) expand the follow-up on unreported income identified through document matching.

The Committee, however, notes that the budget does not address the substantial growth (50%) in accounts receivable—taxes owed but not paid. Some $45 billion, up $15 billion from last year, is now being reported as assessed but not yet paid to the Federal government. To reverse this trend, the Committee recommends adding 1,000 positions and $45 million to the Collection program. These positions would be used to reduce the large inventory of unpaid taxes and thus collect one million dollars more in tax revenue each day. At a time when the Federal government is confronted with massive budget deficits, it makes sense to spend $45 million and bring in $500 million, a return of eleven to one on this investment.

In the area of tax enforcement, the Committee recommends adding 500 positions and $20 million to examination of tax returns, with particular emphasis on settling taxpayer disputes and litigation. Collection of $470 million can be speeded up, thus reducing the budget deficit this year. In addition, the Committee notes that IRS is a major contributor to the fight against organized crime and drug abuse. One of its tasks is to investigate the laundering of money to underworld figures and foreign bank accounts. The Committee recommends adding 100 positions and $5 million to the IRS' criminal investigation function for the purpose of expanding this important effort. The Committee also recommends the IRS follow through on cases of unreported income, which are identified by matching information returns and documents, and proposes to add 100 positions and $5 million for document matching, with a resulting gain of $40 million in needed revenues.

The Committee notes that IRS service centers have dramatically improved in their performance in processing tax returns and issuing refunds. But backlogs of taxpayer adjustments and correspondence remain too high. At the end of May, almost two million tax returns were not yet posted to taxpayers' accounts and over one million taxpayers were still waiting for IRS to respond to their correspondence and properly adjust their tax accounts. The IRS reduced its budget for the service centers by 1,590 positions. The Committee believes that this reduction cannot be achieved without serious problems for millions of taxpayers. Instead, the Committee recommends retaining those positions and $65 million to tax processing. Likewise, the Committee recommends adding 200 positions and $10 million to assist taxpayers in meeting their filing requirements.

COMPARISON OF PRESIDENT'S REQUEST AND COMMITTEE RECOMMENDATION

[Dollar amounts in thousands]

Appropriation account, Internal Revenue Service	President's budget		Committee action		Increases by committee	
	Amount	Positions	Amount	Positions	Amount	Positions
Salaries and expenses	$95,147	2,044	$95,147	2,044		
Processing tax returns	1,262,902	27,327	1,332,902	29,027	+$70,000	+1,700
Examinations and appeals	1,603,162	38,974	1,623,162	39,474	+20,000	+500
Investigations, collections, and taxpayer service	1,136,581	26,739	1,196,581	28,039	+60,000	+1,300
Total, Internal Revenue Service	4,097,792	95,084	4,247,792	98,584	+150,000	+3,500

In summary, the Committee believes that more resources are needed in tax administration, both for expanded tax enforcement and for improved service and assistance. The Committee recommends adding 3,500 positions and $150 million to the IRS. This investment is sound. It would return over one billion dollars in additional tax revenues that are legally owed to the United States government.

IRS FIVE-YEAR PLAN

The Committee believes that, in order to properly allocate resources, the Service should prepare a five-year plan aimed at reducing the tax gap, increasing the level of voluntary compliance among taxpayers, dealing with special compliance problems such as abusive tax shelters and overseas tax havens, ensuring an effective level of taxpayer services, and maintaining balance among functional programs to prevent emergence of backlogs such as those now existing in Appeals, regulations, and taxpayer delinquent investigations. The first five-year plan should be submitted to the Committee on Appropriations of the House and Senate not later than October 1, 1986 and should cover the period FY 1987 through FY 1991. Thereafter, the plan should be updated annually and submitted with the budget justification for each fiscal year. The plan should contain, as a minimum, the following information for each fiscal year included:

a. A forecast of the legal-source income tax gap, voluntary compliance percentage, and audit coverage under current policies and programs reflected in the President's budget;

b. How the Service would allocate additional increments of 2,500 to 5,000 average positions above the President's program, together with the revenue return and/or performance anticipated therefrom, and a projection of the tax gap, audit coverage and voluntary compliance percentage under each scenario of additional resources;

c. A statement of resource requirements and their allocation aimed at raising the level of voluntary compliance toward an ultimate objective (which does not have to be within the five-year time span) of 90 percent, together with the revenue return or performance, and projection of tax gap, compliance percentage, and audit coverage for this scenario of resources;

d. A statement of resource requirements and their allocation to deal with special compliance problems, such as tax shelters and overseas tax havens, and the revenue return or performance anticipated therefrom,

e. A statement of resource requirements and their allocation to deal with additional workload created by tax law changes or new missions enacted by Congress, together with revenue return or performance anticipated therefrom.

TAXPAYER COMPLIANCE

The Committee emphasizes again that the country's self-assessment system of taxation depends for its success on voluntary compliance, the willingness of taxpayers to assess their own tax correctly Noncompliance with tax laws takes several forms. Some taxpayers simply fail to file returns. Others file but do not report all their income. Many taxpayers claim deductions, credits or exemptions to which they are not entitled, and a significant number of people who owe taxes do not file tax returns at all. Noncompliance, willful or otherwise, means billions of dollars which should be but are not part of the Government's annual tax receipts. It also represents inequity. for the many who comply must shoulder the burden of the few who do not. Adequate, evenhanded IRS enforcement is vital to the public's confidence that the Government is administering the tax laws fairly and equitably. The Committee is particularly concerned about the non-filer problem. General Accounting Office and Internal Revenue Service reports indicate that a substantial and growing number of citizens are either not reporting income or vastly under-reporting income. The so-called "underground" or "cash" economy represents a significant threat to the tax collection efforts of the Service.

The Internal Revenue Service has testified that for every dollar spent in this activity, many additional dollars of revenue would be collected. In addition, Internal Revenue Service personnel contact many other people during the course of audits, collections and investigations which serve to remind other taxpayers that failure to pay the proper amount of taxes owed results in positive action against the violator by the Service. The positive effect on voluntary compliance is difficult to measure but is probably very significant. The Service cannot allow the tax collection process to become a lottery where dishonest taxpayers can take a chance on either not filing or filing incorrect returns with the knowledge that the chances are that they either won't be caught or that if they are caught that nothing will be done to them. If that situation is ever allowed to occur then the honest taxpayers will be the losers.

INTERNAL REVENUE SERVICE

SALARIES AND EXPENSES

Appropriation, fiscal year 1986 to date	$94,000,000
Sequestered amount	−4,042,000
Total, fiscal year 1986	89,958,000
Budget estimate, fiscal year 1987	95,147,000
Recommended in the bill	95,147,000

Bill compared with:
Appropriation, fiscal year 1986 ..... +5,189,000
Budget estimate, fiscal year 1987 .....

The Committee recommends an appropriation of $95,147,000, the full amount of the fiscal 1987 budget request, and an increase of $5,189,000 above fiscal year 1986.

The Salaries and Expenses Appropriation provides funding for policy formulation and executive direction of the Internal Revenue Service, for management services, and for the centralized direction of activities which perform independent reviews of operations and protect the integrity of the Service. The appropriation consists of two activities: Executive Direction and Management Services.

Within the Executive Direction activity, the Commissioner and Deputy Commissioner establish the policies and objectives of the Internal Revenue Service and direct the Service's activities toward accomplishment of these objectives. The Associate Commissioners serve as the Commissioner's principal advisors on policy matters affecting operations, management and data processing. The Chief Counsel advises and assists the Commissioner on legal matters affecting the Service's appeals, tax litigation and rulings programs. The Assistant Commissioner (Inspection) directs internal audit and internal security programs designed to protect Service integrity.

The Management Services activity develops and provides Servicewide policy for managing the human, logistical and financial resources needed to fulfill the Service's tax administration mission in a cost effective manner.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

[Dollar amounts in thousands]

	Amount	Staff-years
Program changes:		
ADP program increases	1,699	4
Total program changes	1,699	4
Other changes:		
Increases necessary to maintain current levels:		
Net cost of within-grade salary increase	361	.....
Full-year cost of FICA and Medicare	9	.....
Health benefits	126	.....
Federal buildings fund	48	.....
FTS and other communications	642	.....
Printing and postage	6	.....
Support services and facilities	360	.....
Annualization of ADP equipment and contract increases	668	.....
Maintain fiscal year 1986 program levels reduced by Public Law 99-177	4,042	.....
ADP reapplication	(282)	(20)
Inter-appropriation transfer	(798)	34
Subtotal, other increases	5,189	14

The Committee allows the 2,044 positions requested for fiscal year 1987, a reduction of 27 below the 2,071 positions authorized for fiscal year 1986.

PROCESSING TAX RETURNS

Appropriation, fiscal year 1986 to date	$1,065,000,000
Reduction under P.L. 99-177 (GRH)	−45,795,000
Supplemental P.L. 99-349	194,564,000
Total, fiscal year 1986	1,213,769,000
Budget estimate, fiscal year 1987	1,262,902,000
Recommended in the bill	1,332,902,000
Bill compared with:	
Appropriation, fiscal year 1986	+119,133,000
Budget estimate, fiscal year 1987	+70,000,000

The Committee recommends an appropriation of $1,332,902,000 an increase of $70,000,000 over the proposed level for fiscal year 1987 and an increase of $119,133,000 above the fiscal year 1986 appropriation.

The Processing Tax Return Appropriation provides funding for two activities: Returns Processing and Revenue Accounting, and Computer Services.

The Returns Processing and Revenue Accounting activity provides resources to process tax returns, account for tax revenues, issue refunds and notices, and process information returns for the document matching program. Processing performed by this activity is basic for tax administration and provides necessary input to almost all other IRS programs. Funding is contained in this activity for the National Computer Center, the ten IRS service centers, and for preparation of required statistical information on income and other aspects of the tax system. This activity includes the office of the Assistant Commissioner (Returns and Information Processing), the Returns Processing and Accounting Division in the National Office and the counterpart Assistant Regional Commissioners in the seven regional offices.

The Computer Services activity, located in the National Office, includes the Office of the Assistant Commissioner (Computer Services), the Management Systems, Software and Hardware Divisions. Support provided by this activity includes comprehensive developmental data processing support for most Service programs, including the evaluation, development, and implementation of computer systems, software and hardware requirements. The Computer Services activity also is responsible for the modernization of the Service's mainline computer systems. Almost three quarters of the resources devoted to ADP and information technology are included in this appropriation, with the balance allocated to the other three operating accounts.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

	Amount	Staff-years
Program changes:		
ADP program increases	37,016	10
Document matching initiative	17,119	660
Total program changes	54,135	670
Other changes:		
Increases necessary to maintain current levels:		
Net cost of within-grade salary increase	2,059	.....
Full-year cost of FICA and Medicare	47	.....

PROPOSED LEVELS IN PRESIDENT'S BUDGET—Continued

	Amount	Staff-years
Health benefits	1,392	
Federal buildings fund	9,632	
FTS and other communications	3,054	
Printing and postage	14,208	
Support services and facilities	4,141	
Annualization of ADP equipment and contract increases	33,115	
Process additional returns	10,503	473
Maintain fiscal year 1986 program levels reduced by Public Law 99-177	45,795	
ADP Reapplication	(18)	30
Inter-appropriation transfer	924	(57)
Inter-activity transfer	0	0
Subtotal, other increases	124,852	446
Reductions, nonrecurring costs and savings:		
Nonrecurring	(129,854)	(2,733)
Subtotal, reductions etc:	(129,854)	(2,733)
Total other changes	(5,002)	(2,287)
Total increases or decreases in fiscal year 1987 compared with proposed fiscal year 1986 authorized level	49,133	(1,617)

The Committee recommends that $70 million be added to this account. Included in the budget request are funds to retain all of the additional employees added in the ten service centers in fiscal year 1986, as part of the supplemental. The Committee was very concerned over the delays and errors experienced last filing season in processing tax returns and issuing refunds to millions of taxpayers. The Committee notes that tax processing has improved dramatically this year, with the infusion of additional resources which this Committee recommended. There still remain, however, some deficiencies in tax processing. The Committee believes that the level of funding requested for 1987 by the Administration may have resulted in the same problem that occurred in 1985. Inventories of taxpayer correspondence are too high, causing continuing taxpayer frustration. For millions of taxpayers, the only contact they have with IRS is filing their tax returns and receiving their refunds timely. Failure to adjust tax accounts accurately and timely cause undue alarm and additional workload To correct this deficiency, the Committee recommends adding 1,700 positions and $65 million.

The Committee also recommends that 100 positions and $5 million be added to the document matching program to follow through on cases of unreported income identified by comparing wages, interest and dividends with amounts reported on individual income tax returns. These additional funds will produce $40 million in increased tax receipts.

The Committee allows 29,027 average positions for fiscal year 1987, 1,700 positions above the 27,327 requested and 83 positions above the number authorized for 1986. The Committee is concerned over the reduction of 1,590 positions proposed in returns processing. The IRS budget proposal assumes that these positions could be eliminated by reducing inventories to manageable levels this year.

So far, inventories of taxpayer correspondence and adjustments are still very high. The Committee directs the Service not to eliminate any positions in returns processing or related Service Center activity until problem inventories are at acceptable levels. As a result, the Committee recommends that 1,700 positions be added over the budget request. Moreover, the Committee requests that the Administration evaluate and determine the appropriate resource level for this vital function and advise the Committee promptly of its findings.

EXAMINATIONS AND APPEALS

Appropriations, fiscal year 1986 to date	$1,419,451,000
Reduction under P.L. 99-177 (GRH)	−61,036,000
Supplemental (P.L. 99-177)	68,706,000
Total, fiscal year 1986	1,427,121,000
Budget estimate, fiscal year 1987	1,603,162,000
Recommended in the bill	1,623,162,000
Bill compared with:	
Appropriation, fiscal year 1986	+196,041,000
Budget estimate, fiscal year 1987	+20,000,000

The Committee recommends an appropriation of $1,623,162,000, an increase of $20,000,000 above fiscal year 1987 proposed level and an increase of $196,041,000 above the fiscal year 1986 appropriation.

The Examination and Appeals Appropriation provides funding for three activities: Examination, Appeals and Tax Litigation, and Employee Plans and Exempt Organizations.

The Examination activity is the Service's primary program for determining taxpayers' correct income and tax liability. To do this, the Service examines taxpayers' books and records to verify reported income and deductions, uncover unreported income, and validate exemptions and credits. This activity includes: the Office of the Assistant Commissioner (Examination) at the National Office, the offices of the Assistant Regional Commissioners (Examination), and Examination personnel in district offices and service centers.

The Appeals and Tax Litigation activity is primarily involved with those cases in which taxpayers disagree with examination results. The Appeals function provides an independent administrative review with the objective of reaching impartial settlement. For those cases that cannot be resolved through the Appeals process, Tax Litigation, which is part of Chief Counsel, represents the Service. The National Office and field components of both functions are funded in this activity.

The Employee Plans and Exempt Organizations activity is responsible for maintaining compliance with certain tax laws by monitoring employee pension plans, by determining the qualifications of organizations seeking tax-exempt status, and by examining the returns of exempt organizations. The Employee Plans function is mainly staffed at ten key districts and several associate districts with managerial and program development staff in regional offices and at the National Office. The Exempt Organizations function, which monitors organizations exempt from Federal income tax, funds auditors in district offices along with managerial and program development staff in regional offices and at the National

Office. Functional supervision for both programs is provided by the Assistant Regional Commissioner (Examination) in each region and by the Assistant Commissioner (EP/EO) in the National Office.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

	Amount	Staff-years
Program changes:		
ADP program increases	11,385	68
Revenue initiative	94,403	2,500
Tax shelter initiative	20,650	465
Document matching initiative	3,864	135
Total program changes	130,302	3,168
Other changes:		
Increases necessary to maintain current levels:		
Net cost of within-grade salary increase	5,851	.....
Advancement of trainees	2,577	.....
Full-year cost of FICA and Medicare	143	.....
Health benefits	2,174	.....
Federal buildings fund	9,464	.....
FTS and other communications	4,782	.....
Printing and postage	1,518	.....
Support services and facilities	2,986	.....
Change in employment structure	.....	132
Annualization of ADP equipment and contract increases	2,786	.....
Annualization of Unitary Tax	1,000	23
Enforcement expenses	2,000	.....
Maintain fiscal year 1986 program levels reduced by Public Law 99–177	61,036	.....
ADP reapplication	(60)	.....
Inter-appropriation transfer	432	60
Subtotal, other increases	96,689	215
Reductions, nonrecurring costs and savings:		
Nonrecurring	(50,950)	(332)
Subtotal, reductions etc.	(50,950)	(332)
Total other changes	45,739	(117)
Total increases or decreases in fiscal year 1987 compared with proposed fiscal year 1986 authorized level	176,041	3,051

The Committee is concerned over the level of voluntary compliance with the tax law. Information presented during public hearings show that compliance with the income tax law remains low—only 80 percent fully comply and report all their income. At the same time, the income tax gap will rise from $29 billion in 1974 to over $100 billion in 1987. To address this problem, the Administration has proposed increasing staffing the Internal Revenue Service to examine more tax returns. The Committee believes actions to improve compliance and to collect additional tax revenues should begin immediately. By acting now to increase staffing in the Examination program, over $10 billion in additional tax revenue will be collected between now and 1991. About $800 million will be collected in FY 1987. The Committee is also recommending funds to automate the examination system, which should produce another $5 billion in additional revenue through 1991, with $300 million collected in FY 1987.

The Committee is aware of substantial backlogs in cases being appealed and litigated, primarily those involving use of tax shelters. To close an additional 26,000 cases and accelerate collection of $600 million in disputed taxes, the Committee recommends adding the staff, as proposed, to the Appeals and Tax Litigation function. In addition, the Committee recommends adding another 500 positions and $20 million to speed up resolution of disputed tax audits, thus accelerating collection of $470 million in tax receipts.

The Committee allows 39,474 average positions, an increase of 3,551 positions above the proposed level for fiscal year 1986, and an increase of 500 positions above the budget request.

INVESTIGATIONS, COLLECTIONS, AND TAXPAYER SERVICES

Appropriation, fiscal year 1986 to date	$1,064,325,000
Reduction under P.L. 99-177 (GRH)	−45,766,000
Supplemental (P.L. 99-349)	76,730,000
Total, fiscal year 1986	1,095,289,000
Budget estimate, fiscal year 1987	1,196,581,000
Recommended in the bill	1,196,581,000
Bill compared with:	
Appropriation, fiscal year 1986	+101,292,000
Budget estimate, fiscal year 1987	+60,000,000

The Committee recommends an appropriation of $1,196,581,000, an increase of $60,000,000 above the proposed level for fiscal year 1987 and an increase of $101,292,000 above the fiscal year 1986 appropriation.

The Investigation, Collection, and Taxpayer Service Appropriation provides funding for four activities: Tax Fraud Investigations, Collection, Taxpayer Service, and Enforcement Litigation, and Rulings.

The Tax Fraud Investigations activity is responsible for investigating criminal violations of the Internal Revenue laws. This activity includes: the Office of the Assistant Commission (Criminal Investigation) at the National Office, the offices of the Assistant Regional Commission (Criminal Investigation), and enforcement personnel in district offices and service centers.

The Collection activity provides for collecting unpaid accounts, as well as securing unfiled tax returns, and payments. Collection personnel in district office and service centers, are funded under this activity, as are managerial and program formulation personnel in the National Office and in regional offices.

The Taxpayer Service activity provides information and assistance to taxpayers to help them comply with the tax laws. Funded are personnel in the district offices who have direct contact with taxpayers, along with managerial and program development staff in the National Office and in regional offices.

The Enforcement Litigation and Rulings activity provides legal support for the Tax Fraud and Collection functions, prepares and reviews proposed legislation and regulations, interprets tax statutes, and provides general advice within the Service. Legal and support staff in this activity are in district and regional offices and in the National Office.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

[Amounts in thousands]

	Amount	Staff-years
Program changes:		
ADP program increases	1,668	
Total program changes	1,668	0
Other changes:		
Increases necessary to maintain current levels:		
Net cost of within-grade salary increase	3,870	
Advancement of trainees	732	
Full-year cost of FICA and Medicare	90	
Health benefits	1,595	
Federal buildings fund	7,878	
FTS and other communications	10,170	
Printing and postage	1,497	
Support services and facilities	2,583	
Annualization of ADP equipment and contract increases	6,086	
Enforcement expenses	213	
Maintain fiscal year 1986 program levels reduced by Public Law 99–177	45,766	
ADP reapplication	360	(10)
Inter-appropriation transfer	(558)	(37)
Inter-activity transfer	0	0
Subtotal, other increases	80,282	(47)
Reductions, nonrecurring costs and savings:		
Nonrecurring	(40,658)	
Subtotal, reductions etc:	(40,658)	0
Total other changes	39,624	(47)
Total increases or decreases in fiscal year 1987 compared with proposed fiscal year 1986 authorized level	41,292	(47)

The Committee recommends an increase of $60 million over the amount requested for this account. The Committee has, for some time, been concerned over the level of taxpayer service provided by the Internal Revenue Service. The Committee is aware of difficulties many taxpayers experience is securing help, including service through the toll-free telephone system. The IRS must improve its level of telephone answering and responsiveness to the public. The taxpaying public deserves adequate help in filing tax returns and receiving prompt attention to their tax account questions. As a result, the Committee recommends adding 20 positions and $10 million for taxpayer service.

This Committee has, for many years, urged the IRS to pay particular attention to collecting taxes owed but not paid and to securing returns from taxpayers who do not file. These two critical functions are performed by the Collection activity. Although IRS has achieved significant productivity by implementing an automated collection system at twenty-one sites throughout the country, the level of tax accounts receivable has increased dramatically. Currently, some $45 billion are due from taxpayers on IRS books. This amount—taxes owed but not paid—has grown steadily since 1977 when only $8 billion was outstanding. In the last year alone, some $15 billion has been added in increased tax delinquencies. Al-

though some of these accounts receivable will be collected by sending bills and notices and by offsetting subsequent refunds, many accounts could go uncollected—a serious problem particularly in light of the massive Federal budget deficit. The Committee recommends adding 1,000 positions and $45 million to Collection for reducing the large inventory of unpaid tax accounts. Some $500 million in additional tax revenues should be collected.

The Committee is pleased to note that IRS is providing substantial support—second only to the Drug Enforcement Agency—in the effort to combat organized crime and drug abuse. Likewise, the Committee recognizes the IRS role in money laundering and bank secrecy and directs the Service to continue its matching of cash and currency transaction reports which are used by the entire law enforcement community. To expand this effort, the Committee recommends adding 100 positions and $5 million to the IRS' criminal investigation function for the purpose of strengthening its law enforcement activity.

The Committee allows 28,039 positions, an increase of 1,300 above the fiscal year 1987 budget request and 1,263 above the authorized level for fiscal year 1986.

Internal Revenue Collections—Puerto Rico

The Committee is concerned about the sequestration of internal revenue collections for the Commonwealth of Puerto Rico under the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177). The two affected accounts (20-5737-0-2-852) and (20-9922-0-2-852) were created to compensate Puerto Rico for a serious economic limitation imposed upon it when it was annexed to the United States in 1898, i.e. its inability to impose and collect customs duties on foreign imports. To remedy this situation Congress enacted the cover-over provision which requires that all funds collected from excise taxes be returned to the Treasury of Puerto Rico. In the case of customs duties, after U.S. Customs Service administrative costs are deducted, all remaining funds are required to be covered over to Puerto Rico.

Because this fiscal arrangement is an integral part of the political relationship between the U.S. and Puerto Rico and has been consistently honored since 1917; and because the original cover-over provisions were not created for federal revenue purposes, the Committee believes that this inequity should be corrected. Further, the Committee understands that to exempt these accounts from the sequestration provisions in the Gramm-Rudman Act would not add to the budget deficit, which is an even more compelling reason to address this matter expeditiously.

Administrative Provisions

The Committee has retained two administrative provisions which allow IRS to transfer funds between its four operating accounts. This Committee believes that amounts appropriated are for specific reasons and that agencies, except in special conditions, should not have authority to transfer funds between accounts. If agencies need to shift resources, they should propose adjustments to the Congress. In the case of the Internal Revenue Service, the Committee recog-

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nizes that changing workload demands require some limited transfer authority. For FY 1987, the Committee recommends not to exceed one percent general transfer authority and the special transfer authority (not to exceed fifteen percent) for document matching which the Committee provided last year.

The Committee has also inserted an administrative provision to prohibit the Internal Revenue Service from enforcing a temporary IRS regulation regarding record-keeping for vehicles.

UNITED STATES SECRET SERVICE

Appropriation, fiscal year 1986 to date	$294,000,000
Sequestered amount	−12,642,000
Total, fiscal year 1986	281,358,000
Budget estimate, fiscal year 1987	307,140,000
Recommended in the bill	316,800,000
Bill compared with:	
Appropriation, fiscal year 1986	+35,442,000
Budget estimate, fiscal year 1987	+9,660,000

The Committee recommends an appropriation of $316,800,000, an increase of $9,660,000 above the fiscal 1987 budget request, and an increase of $35,442,000 above fiscal year 1986.

The Secret Service is responsible for:

Protection of the President and other officials;

Suppression of counterfeiting, theft and fraud relating to Treasury electronic fund transfers, debit and credit card fraud, computer fraud, food coupon fraud, government identification fraud, investigating check and bond forgeries, and safeguarding Government securities; and

Protection of the White House and various other buildings and grounds.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

	Amount (millions)	Staff-years
Fiscal year 1986 appropriation (funded through continuing resolution)	$294.0	4,309
Gramm-Rudman-Hollings reductions	−12.6	
Revised fiscal year 1986 level	281.4	4,309
Changes proposed for fiscal year 1987:		
Mandatory cost increases	+4.9	
Maintenance of current level [MCL] items, such as within-grade salary increases, increased cost items.		
Adjustment to reach continuing resolution program level	+12.6	
Program increases	+16.5	
Technical Security ($2.2 M)		
Candidate and Nominee Program ($5.6 M)		
Pan American Games ($1.5 M)		
Protective Requirements ($0.5M)		
ADP Programs ($4.3 M)		
Communications Program ($1.6 M)		
Protective Support ($0.1 M)		
Armored Limousines ($0.7 M)		
Program reduction to the fiscal year 1986 equipment base	−4.6	
Program reduction for counterterrorism	−3.7	
Fiscal year 1987 President's budget	307.1	4,309
Changes over fiscal year 1986	+25.7	

COUNTER-TERRORISM

The Committee has restored the $3,660,000 that had been proposed for reduction in counter-terrorism activities. The Committee is very concerned about reductions in this activity and directs the Secret Service to at least maintain its counter-terrorism program at current levels.

CONSTRUCTION AT ROWLEY TRAINING CENTER

The Committee recommends an appropriation of $6,000,000 for continued construction at the Secret Service Training facility at Beltsville, MD. The Committee directs that the Service report to the Committee on the status of the construction and submit its final plan for completion of the project as soon as practicable.

PERSONNEL

The Committee allows the 4,309 positions requested for fiscal year 1987 for the Secret Service, the same number of positions as authorized for fiscal year 1986.

TITLE II—UNITED STATES POSTAL SERVICE

Payment to the Postal Service Fund

Appropriation, fiscal year 1986 to date	$748,000,000
Sequestered amount	−32,164,000
Total, fiscal year 1986	715,836,000
Budget estimate, fiscal year 1987	40,049,000
Recommended in the bill	690,049,000
Bill compared with:	
Appropriation, fiscal year 1986	−25,787,000
Budget estimate, fiscal year 1987	+650,000,000

The Committee recommends an appropriation of $690,049,000, an increase of $650,000,000 over the fiscal 1987 budget request, and a decrease of $25,787,000 below fiscal year 1986.

This appropriation request of $40,049,000 from the Administration proposed to reimburse the Postal Service for previously unfunded liabilities of the former Post Office Department.

The Administration proposes to stop reimbursing the Postal Service for losses in revenue associated with carrying certain categories of mail at free and reduced rates beginning in 1987. The Administration has stated that legislation will be proposed that will enable the Postal Service to continue the subsidy for most existing subsidized mailers, but that legislation has not yet been transmitted to the Congress.

This recommended appropriation of $690,049,000 is for the purpose of reimbursing the Postal Service for $40,049,000 of previously unfunded liabilities of the former Post Office Department and $650,000,000 for loss in revenue associated with carrying certain categories of mail at free and reduced rates. The $40,049,000 provides funds to cover payment to the employees' compensation fund for injuries prior to July 1, 1971. Under the Postal Reorganization Act, the remaining liabilities of the former Post Office Department are intended to remain the responsibility of the United States, and not to fall on present-day ratepayers who must pay the full cost of present-day operations.

The recommended appropriation for revenue foregone is $650,000,000 which the Postal Service has assured the Committee will be sufficient to maintain current rates for non-profit mailers until October 1, 1987. The amount of revenue foregone is the difference in revenues between what the Postal Service would have received at full unreduced rates and what it does receive as the rates are charged at the reduced statutory levels. The primary variable in calculating the amount of revenue foregone is the estimation of mail volume. The amount recommended will enable the Postal Service to maintain rates currently being charged through all of fiscal year 1987.

USE OF RENTAL VERSUS GOVERNMENT-OWNED MAIL TRAILERS

It has been the understanding of the Committee for a number of years that it has been more economical for the Postal Service to use rental trailers rather than government-owned trailers for the movement of mail within New York City. Accordingly, the Postal Service is requested to continue the use of rental trailers for the movement of mail in New York City rather than purchasing and using Government-owned trailers.

SPECIAL PROVISIONS

The Committee has continued certain provisions carried in previous appropriation Acts mandating free mail for the blind and for overseas voting; and continuation of six-day delivery and rural delivery of mail. Also continued are the provisions prohibiting the closing or consolidation of small post offices and the prohibition against charging fees for furnishing postal addresses in connection with enforcement of State and local child support programs.

TITLE III—EXECUTIVE OFFICE OF THE PRESIDENT

COMPENSATION OF THE PRESIDENT

Appropriation, fiscal year 1986 to date	$250,000
Sequestered amount	
Total, fiscal year 1986	250,000
Budget estimate, fiscal year 1987	250,000
Recommended in the bill	250,000
Bill compared with:	
Appropriation, fiscal year 1986	
Budget estimate, fiscal year 1987	

The Committee recommends an appropriation of $250,000, the full amount of the fiscal 1987 budget request.

These funds provide for the compensation of the President and for official expenses.

OFFICE OF ADMINISTRATION

Appropriation, fiscal year 1986 to date	$15,597,000
Sequestered amount	−671,000
Total, fiscal year 1986	14,926,000
Budget estimate, fiscal year 1987	16,238,000
Recommended in the bill	16,238,000
Bill compared with:	
Appropriation, fiscal year 1986	+1,312,000
Budget estimate, fiscal year 1987	

The Committee recommends an appropriation of $16,238,000, the full amount of the fiscal 1987 budget request, and an increase of $1,312,000 above fiscal year 1986.

The Office of Administration (OA) was created by Reorganization Plan No. 1 of 1977 and formally established by Executive Order 12028. The purpose of the Office of Administration is to provide common administrative support and services to all agencies within the Executive Office of the President (EOP) and upon request, services in direct support of the President.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

	Net change (thousands)
Personnel compensation and benefits	$173
An additional $173 is needed to cover partial restoration (65.8 percent) of the 5 percent pay cut which was not restored in fiscal year 1986.	
Communications, utilities, and miscellaneous charges	156
The additional request of $156 or 5 percent is needed to cover the increased cost of (1) commercial and FTS telephone and data lines; (2) charges by GSA for after hour utilities; and, (3) additional direct disc storage space requirements for the mainframe computer facility resulting from the successful transfer of administrative systems from the WHCA computer to the EOPCC.	
Printing and reproduction	56

	Net change (thousands)
An additional $56 is needed to cover the 7 percent cost increase by the Defense Printing Service for their operational support in OA's two printing facilities.	
Other services	171
For fiscal year 1987, an additional $171, or 4.4 percent, is requested to cover the increased workload and costs associated with the operation of the EOPCC.	
Supplies and materials	10
While efficiencies continue to increase and the cost of conventional office supplies is reduced, the increased workload placed on the EOPCC.	
Equipment	75
This funding level will enable OA to meet the requirements of the fiscal year 1987 equipment plan which is primarily in support of the EOPCC and OA's internal office automation efforts.	
Restoration of Gramm-Rudman	671
Total all object classes	1,312

The Committee allows the 167 positions requested for fiscal year 1987, the same number of positions as authorized for fiscal year 1986.

The White House Office

Appropriation, fiscal year 1986 to date	$24,906,000
Sequestered amount	−1,071,000
Total, fiscal year 1986	23,835,000
Budget estimate, fiscal year 1987	25,179,000
Recommended in the bill	25,179,000
Bill compared with:	
Appropriation, fiscal year 1986	+1,344,000
Budget estimate, fiscal year 1987	

The Committee recommends an appropriation of $25,179,000, the full amount of the fiscal 1987 budget request, and an increase of $1,344,000 above fiscal year 1986.

The mission of the White House Office is to provide staff assistance and administrative services for the direct support of the President of the United States.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

Partial restoration of funding for 5 percent pay reduction	$273,000
Restoration of Gramm-Rudman	1,071,000
Total all object classes	1,344,000

The Committee allows the 365 positions requested for fiscal year 1987, the same number of positions as authorized for fiscal year 1986.

Executive Residence at the White House

Appropriation, fiscal year 1986 to date	$4,577,000
Sequestered amount	−197,000
Total, fiscal year 1986	4,380,000
Budget estimate, fiscal year 1987	4,942,000
Recommended in the bill	4,942,000
Bill compared with:	
Appropriation, fiscal year 1986	+562,000
Budget estimate, fiscal year 1987	

The Committee recommends an appropriation of $4,942,000, the full amount of the fiscal 1987 budget request, and an increase of $562,000 above fiscal year 1986.

These funds provide for the care, maintenance, and operation of the Executive Residence.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

Funding for the following items is requested in Fiscal 1987 to continue to provide for the normal operation and maintenance needs of the Residence:

1. Non-recurring funds for replacement of the wood parlor floors	$125,000
2. Restoration of the five percent salary reduction incurred in FY 1986. Initial government-wide salary reduction, proposed did not pass through the Appropriation process	180,000
3. Utilities, materials, equipment, furnishings, and other services needed to perform essential functions	60,000
4. Restoration of Gramm-Rudman	197,000
Total increase	562,000

The Committee allows the 93 positions requested for fiscal year 1987, the same number of positions as authorized for fiscal year 1986.

OFFICIAL RESIDENCE OF THE VICE PRESIDENT

Appropriation, fiscal year 1986 to date	$204,000
Sequestered amount	−9,000
Total, fiscal year 1986	195,000
Budget estimate, fiscal year 1987	211,000
Recommended in the bill	211,000
Bill compared with:	
Appropriation, fiscal year 1986	+16,000
Budget estimate, fiscal year 1987	

The Committee recommends an appropriation of $211,000, the full amount of the fiscal 1987 budget request, and an increase of $16,000 above fiscal year 1986.

These funds provide for the care, maintenance, and operation of the Vice President's official residence.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

The increase consists of $2,000 for repair of walls, $5,000 for increased utilities and other services and a $9,000 restoration of Gramm-Rudman reductions.

SPECIAL ASSISTANCE TO THE PRESIDENT

Appropriation, fiscal year 1986 to date	$1,794,000
Sequestered amount	−77,000
Total, fiscal year 1986	1,717,000
Budget estimate, fiscal year 1987	1,849,000
Recommended in the bill	1,849,000
Bill compared with:	
Appropriations, fiscal year 1986	+132,000
Budget estimate, fiscal year 1987	

The Committee recommends an appropriation of $1,849,000, the full amount of the fiscal 1987 budget request, and an increase of $132,000 above fiscal year 1986.

The appropriation request for Special Assistance to the President will enable the Vice President to provide assistance to the Chief Executive, including directed and special, presidentially assigned functions. Additionally, the Vice President, through Cabinet membership and White House contact, is informed on a continuing basis regarding presidential responsibilities and, in the President's absence, serves as Chairman of the Cabinet.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

	Thousands
Partial restoration of 5 percent pay reduction	$10
Utility and Telephone service	20
Office automation project	25
Gramm-Rudman restoration	77
Total all object classes	132

The Committee allows the 24 positions requested for fiscal year 1987, the same number of positions as authorized for fiscal year 1986.

Council of Economic Advisers

Appropriation, fiscal year 1986 to date	$2,301,000
Sequestered amount	−99,000
Total, fiscal year 1986	2,202,000
Budget estimate, fiscal year 1987	2,346,000
Recommended in the bill	2,346,000
Bill compared with:	
Appropriations, fiscal year 1986	+144,000
Budget estimate, fiscal year 1987	

The Committee recommends an appropriation of $2,346,000, the full amount of the fiscal 1987 budget request, and an increase of $144,000 above fiscal year 1986.

The Council of Economic Advisers analyzes the national economy and its various segments, advises the President on economic developments, recommends policies for economic growth and stability, appraises economic programs and policies of the Federal Government, and assists in preparation of the annual Economic Report of the President to the Congress.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

The Council has requested an increase of $45,000 to fund one additional full time permanent position and a restoration of the $69,000 Gramm-Rudman reduction.

The Committee allows 38 positions, the number requested for fiscal year 1987 and an increase of 5 above the 33 positions authorized for fiscal year 1986.

Office of Policy Development

Appropriation, fiscal year 1986 to date	$2,726,000

Sequestered amount	−117,000
Total, fiscal year 1986	2,609,000
Budget estimate, fiscal year 1987	2,665,000
Recommended in the bill	2,665,000
Bill compared with:	
Appropriation, fiscal year 1986	+56,000
Budget estimate, fiscal year 1987	

The Committee recommends an appropriation of $2,665,000, the full amount of the fiscal 1987 budget request, and an increase of $56,000 above fiscal year 1986.

The Office of Policy Development advises and assists the President in the formulation, evaluation and coordination of long-range economic and domestic policy; supports the operation of the Office of Cabinet Affairs, including the Domestic Policy Council and the Economic Policy Council; and, in accordance with Executive Order No. 12296, supports the President's Economic Policy Advisory Board.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

The Office of Policy Development has requested less than a full restoration of Gramm-Rudman reductions primarily through delayed hiring and other personnel actions.

The Committee allows the 44 positions requested for fiscal year 1987, the same number of positions as authorized for fiscal year 1986.

NATIONAL CRITICAL MATERIALS COUNCIL

Appropriation, fiscal year 1986 to date	$500,000
Sequestered amount	22,000
Total, fiscal year 1986	478,000
Budget estimate, fiscal year 1987	250,000
Recommended in the bill	250,000
Bill compared with:	
Appropriation, fiscal year 1986	−228,000
Budget estimate, fiscal year 1987	

The Committee recommends an appropriation of $250,000, the full amount of the fiscal year 1987 budget request, and a decrease of $228,000 below fiscal year 1986.

The National Critical Materials Council, created by the National Critical Materials Act of 1984, is a component of the Executive Office of the President. The Council's responsibilities include helping coordinate critical materials policies within the Federal government; bringing to the attention of the President, Congress, and the public, key critical material issues; and fostering ongoing consultation between the Federal government and the private sector on critical materials issues.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

According to the Council, the majority of the Council's initial start-up costs will occur during FY 1986. This includes support from other government agencies in the form of research, development of reporting requirements, and associated ADP systems design. The proposed FY 1987 funding level will provide for ADP

equipment and system maintenance contracts on a recurring basis. The reduction is based primarily on the non-recurrence of these start-up costs.

National Security Council

Appropriation, fiscal year 1986 to date	$4,627,000
Sequestered amount	−199,000
Total, fiscal year 1986	4,428,000
Budget estimate, fiscal year 1987	4,627,000
Recommended in the bill	4,627,000
Bill compared with:	
Appropriation, fiscal year 1986	+199,000
Budget estimate, fiscal year 1987	

The Committee recommends an appropriation of $4,627,000, the full amount of the fiscal 1987 budget request, and an increase of $199,000 above fiscal year 1986.

The statutory function of the NSC is to advise the President with respect to the integration of domestic, foreign, and defense policies related to the national security. Subject to direction by the President, it is the responsibility of the Council to assess and appraise the objectives of the United States on matters of common interest to the departments and agencies of the Government, and to make such recommendations and such other reports to the President as it deems appropriate or as the President may require.

Proposed levels in President's budget

The National Security Council has requested no increase in funding over the appropriation for 1986, but has requested restoration of Gramm/Rudman reductions.

The Committee allows the 63 positions requested for fiscal year 1987, the same number of positions as authorized for fiscal year 1986.

Office of Management and Budget

Appropriation, fiscal year 1986 to date	$37,299,000
Sequestered amount	−1,604,000
Total, fiscal year 1986	35,695,000
Budget estimate, fiscal year 1987	39,682,000
Recommended in the bill	34,274,000
Bill compared with:	
Appropriation, fiscal year 1986	−1,421,000
Budget estimate, fiscal year 1987	−5,408,000

The Committee recommends an appropriation of $34,282,000, a decrease of $5,408,000 below the fiscal 1987 budget request, and a decrease of $1,421,000 below fiscal year 1986.

This Office assists the President in the discharge of his budgetary, management, and other executive responsibilities.

Budget review.—Budget instructions and procedures are developed, review of agency estimates is coordinated, budget data systems are maintained, agency financial management plans are reviewed, and the budget document is prepared.

National security and international affairs, Economics and government, Natural resources, energy, and science, and Human re-

sources, veterans, and labor.—Agency programs, budget requests, and management activities are examined, appropriations are apportioned, proposed changes in agency functions are studied, and special studies aimed at establishing goals and objectives that would result in long- and short-range improvements in the agencies' financial, administrative, and operational management are conducted.

Director's office.—Executive direction and coordination for all Office of Management and Budget activities is provided. This includes the Director's immediate office as well as staff support in the areas of administration, public affairs, legislative reference, congressional and legislative affairs, economic policy, and General Counsel/Civil Rights.

Management.—Government-wide programs to improve management effectiveness are planned and implemented. Policy leadership and assistance are given to all agencies in administrative and management systems, debt collection, financial management, and anti-fraud, waste and abuse initiatives.

Information and regulatory affairs.—Policy leadership and assistance to agencies in paperwork management and reduction, ADP telecommunications policy, statistical policy, information policy and regulatory reviews are provided. Estimates include resources necessary to implement the Paperwork Reduction Act of 1980, which established the Office of Information and Regulatory Affairs in the Office of Management and Budget.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

	Amount (thousands)	Staff years
1986 appropriation	$37,299	604
Gramm-Rudman	−1,604	—
1986 adjusted	35,695	604
Personnel Compensation	−1,110	−14
Communications, utilities and other rent	+75	
Printing	+92	
Other services	+517	
Supplies and materials	+25	
Equipment	+564	
Gramm-Rudman restoration	+1,604	
Total increases and decreases	+3,987	−14
1987 request	39,682	590

OFFICE OF INFORMATION AND REGULATORY AFFAIRS (OIRA)

The Committee has eliminated all funding for the Office of Information and Regulatory Affairs (OIRA). The Committee notes that this activity is not authorized under current law and that the chairmen of several legislative committees and subcommittees have objected to funding this office. Their letters follow:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON GOVERNMENT OPERATIONS,
Washington, DC, March 4, 1986.

Hon. JAMIE L. WHITTEN,
Chairman, Committee on Appropriations, Washington, DC.

DEAR MR. CHAIRMAN: As you know, I have long been concerned over the Office of Management and Budget's (OMB) failure to carry out its mandated responsibilities under the Paperwork Reduction Act of 1980 (P. L. 96-511). Specifically, OMB's Office of Information and Regulatory Affairs (OIRA), created for the sole purpose of administering the Act's requirements, has concentrated its efforts on the President's regulatory reform program rather than the functions assigned to it under the Act. This is particularly true in the ADP and telecommunications area where it has shown little interest in ensuring that the government agencies fulfill their ADP requirements in an economic and efficient manner. As a result of this and other deficiencies, the significant and far-reaching reforms envisioned by the Congress in passing the Act have been jeopardized.

Recognizing these problems, the Committee initiated legislation (H.R. 2718) in 1983 to reauthorize OIRA and to require the Office to concentrate its resources on the functions assigned to it by the law. H.R. 2718 passed the House on November 7, 1983, but a companion bill was not acted upon by the Senate prior to adjournment of the 98th Congress. Since that time, OMB has not sought to renew the charter of the Office, and OIRA has been operating without an authorization for more than two years.

The President's FY 1987 budget request contains $5.408 million to fund OIRA's operations for the coming fiscal year. Since the Office has been operating without an authorization, and OMB apparently has lost sight of Congress' intent in passing the Paperwork Reduction Act, I strongly believe that further funding of these operations at this level is unwarranted. Therefore, I request that your Committee reduce OMB's 1987 Appropriations bill by the amount of $5.408 million and consider no further funding for OIRA until the office is reauthorized by Congress. Your support in this matter is greatly appreciated.

With best wishes, I am
Sincerely,

JACK BROOKS, *Chairman.*

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE JUDICIARY,
Washington, DC, April 23, 1985.

Hon. EDWARD R. ROYBAL,
Chairman, Subcommittee on the Treasury, Postal Service, General Government, Committee on Appropriations, Washington, DC.

DEAR CHAIRMAN ROYBAL: It is my understanding that the Committee on Appropriations is currently considering appropriations for the Office of Management and Budget (OMB), and that OMB's request includes an appropriation of $5.048 million for the Office of

Information and Regulatory Affairs (OIRA). I strongly urge that the Committee delete from the appropriation requested by OMB all funding for OIRA.

The Office of Information and Regulatory Affairs was established in 1980 under the Paperwork Reduction Act. It's mandate was to reduce the unnecessary paperwork burdens that government places on individuals and businesses. However, OIRA has failed to carry out its statutory mandate. Instead, under Executive Order 12291 and Executive Order 12298, OIRA has intruded into the regulatory decision-making of agencies in ways that are both unlawful and contrary to the public interest. This intrusion has been documented at a number of congressional hearings, including hearings before the Subcommittee on Administrative Law and Governmental Relations which I now chair. These hearings have shown that OIRA has usurped the regulatory authority statutorily delegated to other agencies; contravened the purposes and requirements of the Administrative Procedure Act; imposed on agencies new, non-statutory cost-benefit standards that can prevent implementation of statutes as Congress intended; precluded, by its secret involvement in decision-making, proper judicial review of regulatory decisions; and, potentially, violated separation of powers under the Constitution.

Congress must act to prevent a continuation of the Office of Information and Regulatory Affairs' improper intervention in the regulatory process. Therefore, I strongly urge the Committee to delete from OMB's 1987 appropriations the amount requested for this office.

I look forward to working with you on this matter.

Sincerely,

DAN GLICKMAN,
Chairman,
Subcommittee on Administrative Law
and Governmental Relations.

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS
OF THE COMMITTEE ON ENERGY AND COMMERCE,
Washington, DC, May 14, 1986.

HON. EDWARD R. ROYBAL,
Chairman, Subcommittee on Treasury, Postal Service, General Government, Committee on Appropriations, Washington, DC.

DEAR ED: On March 12, 1986, I sent you and Chairman Whitten a letter supporting a request by Chairman Jack Brooks to delete funding for OMBs Office of Information and Regulatory Affairs (OIRA) from the Fiscal Year 1987 appropriations legislation and to withhold further funding until this Office is reauthorized by Congress. Since that time, Chairman Whitten has written me to express his agreement with this position.

On May 8, 1986, the Subcommittee on Oversight and Investigations held a hearing concerning the activities of OIRA which further demonstrates the pernicious role of this Office in the regulatory process. This hearing revealed that the Deputy Administrator

of OIRA met secretly with Canadian Embassy officials in January of this year and advised them on strategies to undercut a proposed Environmental Protection Agency (EPA) rule to restricted U.S. use of asbestos, a major Canadian export. The meeting occurred just two days after the EPA had announced its proposed asbestos ban and phasedown rule in the *Federal Register*, following an intense regulatory battle between OMB and EPA. The meeting was summarized in the attached telex from the Canadian Embassy in Washington to the External Affairs Department in Ottawa. Although Mr. Bedell denied the use of certain phrases attributed to him in the telex, such as "bullying," he confirmed the meeting and did not dispute the thrust of the telex.

The May 8 hearing underscores once again the fact that:

OMB has sought to exercise veto power over agency decisions notwithstanding the absence of any legislative grant of such regulatory review authority;

OMB has subverted public participation procedures enacted by Congress by allowing favored interests to plead their cases in secret meetings with OMB;

Congressional directives, including those designed to protect the public health and the environment, can be easily circumvented in a regulatory review process which is shrouded in secrecy and unbounded by statutory constraints; and

OMB's activities represent a fundamental threat to the separation of powers embodied in our Constitution.

I urge you to heed these danger signals and reduce OMB's 1987 appropriations by the amount requested for the Office of Information and Regulatory Affairs, consider no further funding for OIRA until the Office is reauthorized by Congress, and provide no further funding for OMB to engage in activities not authorized by Congress. I look forward to working with you on this matter.

Sincerely,

JOHN D. DINGELL, *Chairman,*
Subcommittee on Oversight and Investigations.

OFFICE OF FEDERAL PROCUREMENT POLICY

Appropriation, fiscal year 1986 to date	$1,611,000
Sequestered amount	−69,000
Total, fiscal year 1986	1,542,000
Budget estimate, fiscal year 1987	1,660,000
Recommended in the bill	1,660,000
Bill compared with:	
Appropriation, fiscal year 1986	+118,000
Budget estimate, fiscal year 1987	

The Committee recommends an appropriation of $1,660,000, the full amount of the fiscal 1987 budget request, and an increase of $118,000 above fiscal year 1986.

The Office of Federal Procurement Policy is responsible for promoting economy, efficiency, and effectiveness in the procurement of property and services by and for the executive branch.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

The Office of Federal Procurement Policy has requested an increase of $49,000 for increases in office space costs and salary increases due to routine promotions and within grade actions; and $69,000 for restoration of Gramm-Rudman reductions.

The Committee allows the 25 positions requested for fiscal year 1987, the same number of positions as authorized for fiscal year.

UNANTICIPATED NEEDS

Appropriation, fiscal year 1986 to date	$1,000,000
Sequestered amount	−43,000
Total, fiscal year 1986	957,000
Budget estimate, fiscal year 1987	1,000,000
Recommended in the bill	1,000,000
Bill compared with:	
Appropriation, fiscal year 1986	+43,000
Budget estimate, fiscal year 1987	

The Committee recommends an appropriation of $1,000,000, the full amount of the fiscal 1987 budget request, and an increase of $43,000 above fiscal year 1986.

These funds enable the President to meet unanticipated needs in furtherance of the national interest security, or defense. There has been one allocation made for the creation and operation of the Task Force on Combating Terrorism.

TITLE IV—INDEPENDENT AGENCIES

ADMINISTRATIVE CONFERENCE OF THE UNITED STATES

Appropriation, fiscal year 1986 to date	$1,430,000
Sequestered amount	−61,000
Total, fiscal year 1986	1,369,000
Budget estimate, fiscal year 1987	1,559,000
Recommended in the bill	1,559,000
Bill compared with:	
Appropriation, fiscal year 1986	+190,000
Budget estimate, fiscal year 1987	

The Committee recommends an appropriation of $1,559,000, the full amount of the fiscal 1987 budget request, and an increase of $190,000 above fiscal year 1986.

The Conference assists the President, the Congress, and the Federal departments and agencies in improving administrative procedure. It conducts studies of the efficency, adequacy, and fairness of the procedures that the agencies and departments use to determine the rights, privileges, and obligations of private persons. The Conference issues formal recommendations for improvements and then encourages their implementation.

In addition to its research activities, the Conference also arranges for the interchange among administrative agencies of information useful in improving administrative procedure and, on an ongoing basis, furnishes assistance and advice on matters of administrative procedure to the agencies, Congress, and others.

The Conference receives funds from other Federal agencies for special projects carried out by the Conference pursuant to agreements with these agencies.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

Increase in personnel comp.	+$39,000
Increase in travel	+6,000
Increase in SLUC and other rent	+40,000
Increase in printing	+17,000
Increase in contracting	+74,000
Increase in supplies and equipment	+14,000
Total increase	+190,000

The Committee allows the 25 positions requested for fiscal year 1987, the same number of positions as authorized for fiscal year 1986.

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

Appropriation, fiscal year 1986 to date	$2,041,000
Sequestered amount	−88,000
Total, fiscal year 1986	1,953,000

Budget estimate, fiscal year 1987	2,090,000
Recommended in the bill	1,045,000
Bill compared with:	
Appropriation, fiscal year 1986	−908,000
Budget estimate, fiscal year 1987	−1,045,000

The Committee recommends an appropriation of $1,045,000, a reduction of $1,045,000 below the fiscal 1987 budget request, and a reduction of $908,000 below fiscal year 1986.

The Advisory Commission on Intergovernmental Relations (ACIR) is a 26-member independent, bipartisan body. The Commission and its staff examine Federal, State and local trends, events, and programs having an intergovernmental impact. Proposed legislation and executive actions are reviewed to determine their overall effect on the Federal system. The Commission also identifies emerging problems of Federal-State-local relations and assists States and localities in anticipating and meeting problems caused by various intergovernmental overlaps and conflicts, and makes recommendations concerning the workings and structural arrangements of governmental units and allocation of responsibilities and revenues among the various levels of government. The recommendations and published reports growing out of the Commission's work are submitted to the executive and legislative branches of Federal, State, and local governments for appropriate action.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

Restoration of Gramm-Rudman	+$88,000
Increase in personnel comp.	+12,000
Increase in travel and transportation	+5,000
Increase in SLUC and other rent	+23,000
Increase in supplies and equipment	+9,000
Total increase	137,000

In House Report 99–210, the Committee directed the ACIR to develop a financing plan for Advisory Commission activities that assumed a greater financial contribution by the states. This directive and several follow-up contacts by the Committee were ignored by the Advisory Commission. For example, in the fiscal year 1987 budget submission to the Congress, the ACIR assumed almost the same amount for state contributions. No meaningful effort was made by the Advisory Commission to significantly increase cost sharing by the states. In fact, the language included in the report to accompany H.R. 3036 was virtually identical to the concerns expressed in a House Appropriations Committee report issued several years ago.

Absent an ACIR developed cost sharing plan, the Committee recommends that the states assume 47 percent of the operating costs of the Advisory Commission For fiscal year 1987, state contributions are expected to be $1,000,000.

Although established by the federal government, only 9 of the 26 voting members of the Advisory Commission represent federal interests. 14 members are state or local officials and 3 members are private citizens with no official government position. Moreover, the states are a major beneficiary of the research conducted by the Advisory Commission. Many of the reports and publications issued by ACIR address primarily state and local concerns.

The Committee recommends that the several states contribute $1,000,000 to the operation of the Advisory Commission. To allow adequate time for the states to comply with this cost sharing plan, the following assessment is recommended by the Committee. The $1,000,000 assessment is divided among the 50 states and the District of Columbia according to population and personal income:

Alabama	$15,057	Montana	3,133
Alaska	2,519	Nebraska	6,649
Arizona	12,591	Nevada	3,965
Arkansas	8,746	New Hampshire	4,231
California	116,457	New Jersey	34,972
Colorado	14,043	New Mexico	5,488
Connecticut	15,249	New York	78,971
Delaware	2,684	North Carolina	24,150
District of Columbia	3,059	North Dakota	2,861
Florida	46,760	Ohio	44,562
Georgia	23,642	Oklahoma	13,368
Hawaii	4,415	Oregon	10,787
Idaho	3,801	Pennsylvania	49,299
Illinois	50,488	Rhode Island	4,068
Indiana	22,327	South Carolina	12,550
Iowa	11,901	South Dakota	2,782
Kansas	10,542	Tennessee	18,151
Kentucky	14,238	Texas	67,947
Louisiana	17,452	Utah	6,121
Maine	4,497	Vermont	2,064
Maryland	19,424	Virginia	24,220
Massachusetts	26,272	Washington	18,458
Michigan	37,961	West Virginia	7,257
Minnesota	17,949	Wisconsin	19,775
Mississippi	9,300	Wyoming	2,138
Missouri	20,652		

The Committee directs the Advisory Commission to inform the appropriate officials in each state and the District of Columbia of this proposed assessment.

The Committee also recommends bill language authorizing the Advisory Commission to retain all receipts from the sale of pubications. For fiscal year 1987, the amount is estimated to be $50,000 and shall be available for use by the Advisory Commission for authorized activities.

Including the receipts from sales, the assessed state contributions and the federal appropriation, the Advisory Commission will have $2,096,000 in resources available in the fiscal year 1987. This amount is 7 percent more than the fiscal year 1986 adjusted level and is slightly above the budget request.

The Committee allows the 34 positions requested for fiscal year 1987, the same number of positions as authorized for fiscal year 1986 provided that they can be funded under the proposed level.

Advisory Committee on Federal Pay

Appropriation, fiscal year 1986 to date	$210,000
Sequestered amount	−9,000
Total, fiscal year 1986	201,000
Budget estimate, fiscal year 1987	229,000
Recommended in the bill	229,000

Bill compared with:	
Appropriation, fiscal year 1986	+28,000
Budget estimate, fiscal year 1987	

The Committee recommends an appropriation of $229,000, the full amount of the fiscal 1987 budget request, and an increase of $28,000 above fiscal year 1986.

The Advisory Committee on Federal Pay was appointed in accordance with the Federal Pay Comparability Act of 1970. The Committee assists the President in carrying out the policy of comparability in pay between major Federal statutory pay systems and private enterprise. The Committee reviews the annual report of the President's pay agent and considers the recommendations of representatives of Federal employees and other officials of the Federal Government. The Committee then prepares for the President an independent report with its findings and recommendations.

The Committee meets jointly throughout the year with the President's pay agent and the Federal Employees Pay Council in an attempt to reach early resolution of issues between them. It provides advisory opinions on unresolved issues.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

Personal compensation	$+14,000
Miscellaneous increases	+5,000
Restoration of Gramm-Rudman	+9,000
Total increases	+28,000

The Committee allows the 3 positions requested for fiscal year 1987, the same number of positions as authorized for fiscal year 1986.

Committee for Purchase From the Blind and Other Severely Handicapped

Appropriation, fiscal year 1986 to date	$730,000
Sequestered amount	−31,000
Total, fiscal year 1986	699,000
Budget estimate, fiscal year 1987	778,000
Recommended in the bill	778,000
Bill compared with:	
Appropriation, fiscal year 1986	+79,000
Budget estimate, fiscal year 1987	

The Committee recommends an appropriation of $778,000, the full amount of the fiscal 1987 budget request, and an increase of $79,000 above fiscal year 1986.

The Committee for Purchase From the Blind and Other Severely Handicapped was established by the Wagner-O'Day Act of 1938, as amended. Its primary objective is to increase employment opportunities for the blind and other severely handicapped and, whenever possible, to prepare them to engage in normal competitive employment. In 1987, 17,395 blind and handicapped individuals are projected to be employed in 355 producing workshops. The committee determines which commodities and services are suitable for Government procurement from qualified nonprofit agencies serving the blind and other severely handicapped; publishes a procurement list of such commodities and services; determines the fair market price

for commodities and services on the procurement list; and makes rules and regulations necessary to carry out the purposes of the Act. The committee proposes to have 2,060 items on its procurement list, and estimated workshop sales of $330 million.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

Personnel compensation	$+27,000
Travel and transportation of persons	+7,000
Standard level user charges	+6,000
Communications, utilities, and other rent	+5,000
Printing and reproduction	+3,000
Other services	+1,000
Equipment	−1,000
Restoration of Gramm-Rudman	+31,000
Total increases	+79,000

The Committee commends the exemplary record of the Committee for the Purchase from the Blind and Other Severely Handicapped (CPBOSH) in hiring blind and other severely handicapped individuals. However, the Committee is concerned that such individuals, who comprise almost 6% of the workforce population, are underrepresented among the employees of the designated central nonprofit agencies (CNAs), National Industries for the Blind and National Industries for the Severely Handicapped.

As these agencies are designated by the CPBOSH to assist in the administration of the Javits-Wagner-O'Day program, the Committee is of the opinion that they should mnake every effort to recruit and promote the blind and severely handicapped into every level of employment, and to ensure that the blind and severely handicapped are substantially represented in the central management of the agencies.

Therefore, the CPBOSH is directed to require participating CNAs to establish annual goals for progress in terms of increased representation of employees with severe disabilities. That would require the agencies to seek to employ blind or other severely handicapped individuals to fill a reasonable percentage of all job vacancies each year, and to employ blind or handicapped individuals to fill a reasonable percentage of all vacanies among management, administrative, and supervisory positions. It would also require that the agencies adopt specific plans to ensure that such handicapped individuals have equitable opportunities to be recruited, hired and promoted, and that reasonable accommodation for the disabilities of employees and applicants be provided.

The CPBOSH is also directed to require that in subsequent years, the CNAs report on their progress in meeting their annual goals, including an accounting of job vacancies, positions filled, and the numbers of blind or other severely handicapped employees.

The Committee expects to be kept advised of the plans of the CPBOSH to oversee implementation of the employment plan requirement, and to be provided with sufficient information to assess the performance of the currently designated CNAs.

The Committee allows the 12 positions requested for fiscal year 1987, the same number of positions as authorized for fiscal year.

FEDERAL ELECTION COMMISSION

Appropriation, fiscal year 1986 to date	$12,433,000
Sequestered amount	−535,000
Total, fiscal year 1986	11,898,000
Budget estimate, fiscal year 1987	12,800,000
Recommended in the bill	12,000,000
Bill compared with:	
Appropriations, fiscal year 1986	+102,000
Budget estimate, fiscal year 1987	−800,000

The Committee recommends an appropriation of $12,000,000, a decrease of $800,000 below the fiscal 1987 budget request, and an increase of $102,000 above fiscal year 1986.

The Commission administers the disclosure of campaign finance information, enforces limitations on contributions and expenditures, supervises the public funding of Presidential elections and performs other tasks relative to Federal elections.

The Commission supports the 1987 request of $12.8 million. Total funding for 1986 and 1987 provides for a staff level of 245 FTE. The 1987 request also provides for the first full year of SLUC at the Commission's new location, and the Commission's requested increase for new ADP contract.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

Restoration of Gramm-Rudman	+$535,000
Increased travel, training, equipment, supplies, postage, publications, printing, and expenses of a general administrative nature	+367,000
Total increases	+902,000

The Committee allows the 245 positions requested for fiscal year 1987, the same number of positions as authorized for fiscal year 1986.

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

The Federal Buildings Fund program consists of the following activities financed from standard level user charges commonly known as rent:

Construction and acquisition of facilities.—Space is acquired through direct federally financed construction of facilities, extensions to existing buildings costing over $500,000 and direct purchase of facilities. All costs directly attributable to Federal Buildings Fund construction projects for site acquisition and construction are also financed under this activity. The total cost of new commitments for direct federally financed construction and acquisition of facilities is estimated at $243.4 million in 1986 and $100 million in 1987.

Repairs and alterations.—Repairs and alterations of public buildings are funded under this activity. Protection of the Government's investment, health and safety of building occupants, transfer of agencies from leased space, and cost effectiveness are the principal criteria used in establishing priorities. Primary consideration is given to repairs to prevent deterioration and damage to buildings, their support systems, and operating equipment. This activity also

provides for conversion of existing facilities and extensions estimated to cost less than $500,000.

Design and construction services.—This activity consolidates funding for the full range of design and construction services including preparation of drawings and specifications, management and inspection of construction and repairs and alterations projects, other construction related costs and non-project related technical services. In the case of new construction projects and repairs and alterations projects over $500,000, design work will be restricted to those projects reflected in the budget justifications for this activity or projects which have been specifically approved in appropriation acts.

Purchase contract payments.—Payments are made for liabilities incurred under purchase contract authority. Purchase contract authority, which provided for private investment capital financing of public buildings, expired at the end of 1975. The periodic payments cover principal, interest, taxes, and other requirements.

Rental of space.—Space is acquired through the leasing of buildings including space occupied by Federal agencies in U.S. Postal Service facilities. This program will provide an estimated 87.3 million square feet in 1986 and 86.2 million square feet in 1987.

Real property operations.—Services are provided for Government-owned and leased facilities, including cleaning, utilities and fuel, protection, maintenance, and miscellaneous services (such as moving, evaluation of new materials and equipment, and field supervision). The 1987 direct program compares with the 1986 program as follows (estimated square feet and expenses in thousands):

	1986		1987	
	Square feet	Expenses	Square feet	Expenses
Cleaning	170,648	$167,530	171,017	$174,450
Utilities	203,117	215,610	203,588	225,697
Maintenance	169,170	127,154	169,227	132,009
Other building services	248,640	74,900	248,864	81,782
Protection	265,240	58,064	264,863	59,914
Other staff support		37,280		37,670
Delegated buildings	3,431	15,057	3,971	18,597
ADP support		14,083		4,200
Total		709,678		734,319

Program direction.—Overall general management, including office automation, systems development, financial management, policy development, planning, program evaluation and administration, is funded under this activity.

Other programs.—When requested by Federal agencies, the Public Buildings Service provides building services such as tenant alterations, cleaning and other operations, and protection services which are in excess of those services provided under the standard level user charge.

The Committee is aware of efforts within the General Services Adminstration to reduce long term office space leasing costs by moving to increased ownership of buildings instead of leasing and by moving to lower cost suburban locations within the Washington

metropolitan area. The Committee is also aware of GSA efforts to provide a proper work environment for Government employees that is comparable to private sector work environments and provide such services as child care centers, and an adequate mix of food, health, retail and transportation services within close proximity of that work environment.

The Committee applauds the cost savings implicit in the new direction of GSA office lease and purchase policy, as well as the professionalism with which that policy is carried out. The Committee agrees with the GSA that in the Washington metropolitan area, Federal office sites that are on or near a Metrorail station are ideal sites for Federal offices and facilitate Federal employee travel to and from work. However, the Committee is concerned that the GSA will disregard sites that offer equal accessibility by bus or other means of transportation and yet provide lower lease or purchase costs and the same or better services for Federal workers. The Committee notes that considerable savings could be achieved by agency relocations and consolidations at sites that are not now, but will, in the event of future Federal appropriations, be situated on or adjacent to a Metrorail station. Consequently, the Committee directs the GSA to consider the potential for future Metrorail service to the site, the availability of public bus service, and easy automobile access in determining the viability of a Federal office location. The presence of these three factors shall be considered just as important as the existence of a currently operating Metrorail station.

YSLETA, TX, BORDER STATION

The Committee directs the Administrator of the General Services Administration to spend up to $1,000,000 of the previously authorized $7,756,800 for the construction of a border station at the Ysleta, Texas, international bridge crossing. The work contemplated by the Committee in this regard is to be limited to preliminary design and construction planning activities associated with the border inspection facility. It is the intention of the Committee to expedite the construction of this international bridge crossing once the formal agreement is exchanged by both the United States and the Republic of Mexico by allowing all preliminary work to go forward at this time.

Recent negotiations in both Washington and Mexico City strongly suggest the possibility that the construction of the international bridge at Ysleta, Texas, may commence during this fiscal year. Upon the formal exchange of diplomatic notes between the United States and the Republic of Mexico, the Committee directs the Administrator to spend such sums as may be necessary of the already authorized $7,756,800 for the construction of border station at this location in an expeditious manner.

The Committee allows the 11,863 positions requested for fiscal year 1987, a reduction of 1,881 below the 13,744 positions authorized for fiscal year 1986.

Federal Buildings Fund

Limitations on Availability of Revenue

1. CONSTRUCTION AND ACQUISITION OF FACILITIES

Limitation, fiscal year 1986 to date	($246,919,000)
Total, fiscal year 1986	(246,919,000)
Budget estimate, fiscal year 1987	(100,000,000)
Recommended in the bill	(160,096,000)
Bill compared with:	
Limitation, fiscal year 1986	(−86,823,000)
Budget estimate, fiscal year 1987	(+60,096,000)

The Committee recommends a limitation of $160,096,000, an increase of $60,096,000 above the fiscal 1987 budget request, and a decrease of $86,823,000 below fiscal year 1986.

CONSTRUCTION AND ACQUISITION OF FACILITIES FISCAL YEAR 1987

Funding has been added to the request to provide the total amount of $3,376,000 and $20,672,000 for construction of projects in Jasper, Alabama and Wilkes-Barre, Pennsylvania, respectively. Additional funding has also been provided for advance design of two projects, Miami, Florida ($2,461,000) and Paterson, New Jersey ($1,500,000). Site and advance design funding has been added to initiate construction of a Federal facility in Chicago, Illinois in the amount of $32,087,000. Other projects and amounts are recommended at the request level.

Currently pending before the Committee is a request from GSA to reprogram funds from construction of a Courthouse in Youngstown, OH. The Committee directs GSA not to reprogram these funds until the Committee has an opportunity to consider this proposal.

2. REPAIRS AND ALTERATIONS

Limitation, fiscal year 1986 to date	($269,096,000)
Total, fiscal year 1986	(269,096,000)
Budget estimate, fiscal year 1987	(362,044,000)
Recommended in the bill	(224,720,000)
Bill compared with:	
Limitation, fiscal year 1986	(−44,376,000)
Budget estimate, fiscal year 1987	(−137,324,000)

The Committee recommends a limitation of $224,720,000, a decrease of $137,324,000 below the fiscal 1987 budget request, and an decrease of $44,376,000 below fiscal year 1986.

The Committee has deleted funding for all the repair and alteration projects which do not have approved prospectuses. The Committee urges the appropriate legislative Committees to approve these prospectuses which that Committee believes should be approved so that they can be funded in accordance with the House rules.

LOUISVILLE, KENTUCKY

The Committee has provided an additional $1,500,000 in accordance with the approval revised prospectus for the repair and alteration of a Post Office, Courthouse, in Louisville, KY.

HONOLULU, HAWAII

The proposed alteration to the Honolulu, Hawaii Federal Building-Courthouse is among the projects which have been deferred because the prospectus is still before the authorizing committee. This project has been identified by GSA on its priority list for repairs and alteration projects. The Committee is aware of the need to initiate these alterations and is prepared to consider funding for the project once the prospectus has been approved.

3. PURCHASE CONTRACT PAYMENTS

Limitation, fiscal year 1986 to date	($135,100,000)
Total, fiscal year 1986	(135,100,000)
Budget estimate, fiscal year 1987	(143,442,000)
Recommended in the bill	(143,442,000)
Bill compared with:	
Limitation, fiscal year 1986	(+8,342,000)
Budget estimate, fiscal year 1987	.....

The Committee recommends a limitation of $143,442,000, the full amount of the fiscal 1987 budget request, and an increase of $8,342,000 above fiscal year 1986.

4. RENTAL OF SPACE

Limitation, fiscal year 1986 to date	($866,000,000)
Sequestered amount	(.....)
Total, fiscal year 1986	(866,000,000)
Budget estimate, fiscal year 1987	(935,100,000)
Recommended in the bill	(935,100,000)
Bill compared with:	
Limitation, fiscal year 1986	(+69,100,000)
Budget estimate, fiscal year 1987	(.....)

The Committee recommends a limitation of $935,100,000, the full amount of the fiscal 1987 budget request, and an increase of $69,100,000 above fiscal year 1986.

5. REAL PROPERTY OPERATIONS

Limitation, fiscal year 1986 to date	($709,678,000)
Sequestered amount	(.....)
Total, fiscal year 1986	(709,678,000)
Budget estimate, fiscal year 1987	(734,319,000)
Recommended in the bill	(734,319,000)
Bill compared with:	
Limitation, fiscal year 1986	(+24,641,000)
Budget estimate, fiscal year 1987	(.....)

The Committee recommends a limitation of $734,319,000, the full amount of the fiscal 1987 budget request, and an increase of $24,641,000 above fiscal year 1986.

FLOOR SURFACING

Working conditions, particularly job safety, directly affect the performance and morale of federal personnel. The surface condition of floors, ramps, dock facilities, stairways and sidewalks can significantly increase or decrease job safety. The Committee is aware that there are anti-skid, anti-fatigue surface coverings available at moderate cost and with warranties as long as ten years which, if installed, can substantially improve job safety. The Committee urges the General Services Administration to consider increasing its usage of such surface coverings in new and existing facilities for which it is responsible.

6. PROGRAM DIRECTION

Limitation, fiscal year 1986 to date	($55,481,000)
Sequestered amount	(.....)
Total, fiscal year 1986	(55,481,000)
Budget estimate, fiscal year 1987	(57,090,000)
Recommended in the bill	(57,090,000)
Bill compared with:	
Limitation, fiscal year 1986	(+1,609,000)
Budget estimate, fiscal year 1987	(.....)

The Committee recommends a limitation of $57,090,000, the full amount of the fiscal 1987 budget request, and an increase of $1,609,000 above fiscal year 1986.

7. DESIGN AND CONSTRUCTION SERVICES

Limitation, fiscal year 1986 to date	($133,227,000)
Sequestered amount	(.....)
Total, fiscal year 1986	(133,227,000)
Budget estimate, fiscal year 1987	(72,442,000)
Recommended in the bill	(62,951,000)
Bill compared with:	
Limitation, fiscal year 1986	(−70,276,000)
Budget estimate, fiscal year 1987	(−9,491,000)

The Committee recommends a limitation of $62,951,000, a decrease of $9,491,000 below the fiscal 1987 budget request, and a decrease of $70,276,000 below fiscal year 1986.

FEDERAL SUPPLY SERVICE, OPERATING EXPENSES

Appropriation, fiscal year 1986 to date	$163,257,000
Sequestered amount	−7,313,000
Total, fiscal year 1986	155,944,000
Budget estimate, fiscal year 1987	170,839,000
Recommended in the bill	170,839,000
Bill compared with:	
Appropriation, fiscal year 1986	+14,895,000
Budget estimate, fiscal year 1987	.....

The Committee recommends an appropriation of $170,839,000, the full amount of the fiscal 1987 budget request, and an increase of $14,895,000 above fiscal year 1986.

This funding provides for Government-wide direction and coordination of a worldwide supply distribution system, management of supplies and personal property; transportation and travel manage-

ment; transportation audits; vehicle fleet management; and property management activities for utilization, rehabilitation, donation and sale of Federal property. The major objectives of these programs are to provide excellent supply support and services to customers while maximizing operational efficiency and continuing to reduce the cost of Government.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

	Amount (thousands)	Staff years
Appropriation, 1986	$163,257	3,309
Gramm-Rudman reduction	7,313	
Adjusted	155,944	3,309
Program changes:		
ADP equipment (Comptroller General decision B-213771)	+5,902	
Annualized depot closures	−1,737	−38
Annualized A-76 supply depot and customer supply centers	−1,405	−228
Abolish supply management functions	−1,112	−44
Central office/regional overhead reductions	−2,618	−104
Commodity centers implementation	−1,025	−41
Total program changes	−1,995	−455
Other changes:		
5 percent pay cut restoration	+117	
GS 11-15 reductions	−524	
Price inflation @ 4.2 percent	+1,526	
Rent increases @ 7.8 percent	+1,645	
Restoration of Gramm-Rudman	+7,313	
Transfer of Transportation Audit Program	+6,813	+183
Total other changes	16,890	
Total change from 1986 to 1987	+14,895	−272

PASSIVE RESTRAINT COST SAVINGS STUDY

The Committee directs the General Services Administration, in consultation with the National Highway Traffic Safety Administration, the Department of Labor, and the Office of Personnel Management, to make a comprehensive assessment of the potential cost savings to the Federal Government if model year 1988 vehicles acquired by the GSA were equipped with automatic occupant restraint devices. GSA is responsible for vehicle acquisition and operating policies. And, while GSA has data on vehicle repair, maintenance, and operating costs, data on other federal costs associated with motor vehicle accident injuries, such as workers' compensation or lost productivity, are not centrally collected. The Committee believes the GSA should base its procurement decisions on the most complete cost data available. In this respect, the automatic restraint devices mandated by the Department of Transportation's Federal Motor Vehicle Safety Standard 208 for certain model year 1987 automobiles may produce substantial cost savings to the Federal Government when all direct and indirect costs and benefits

are considered. The Committee expects to receive a fully coordinated report no later than May 1, 1987, of the findings and conclusions of this assessment along with GSA's recommendations on how such data should be used in making its model year 1988 vehicle procurements.

The Committee allows the 3,037 positions requested for fiscal year 1987, a reduction of 272 below the 3,309 positions authorized for fiscal year 1986.

Federal Property Resources Service

OPERATING EXPENSES

Appropriation, fiscal year 1986 to date	$40,000,000
Sequestered amount	−1,892,000
Total, fiscal year 1986	38,108,000
Budget estimate, fiscal year 1987	40,975,000
Recommended in the bill	40,975,000
Bill compared with:	
Appropriation, fiscal year 1986	+2,867,000
Budget estimate, fiscal year 1987	

The Committee recommends an appropriation of $40,975,000, the full amount of the fiscal 1987 budget request, and an increase of $2,867,000 above fiscal year 1986.

This appropriation funds the staff for the acquisition, administration and disposal of National Defense Stockpile inventories; administration and disposal of the Defense Production Act inventory; and utilization and disposal of excess and surplus real property in 1987.

The estimate for 1987 provides for storage, maintenance and inspection of stockpile materials, disposal of those stockpile materials excess to objectives and the acquisition of materials needed to meet objectives, the appraisal of real property, and continuing emphasis on reuse of existing real property to extend its useful life.

SILVER STORAGE

The Committee recommends funding to store, to maintain or to protect no more than 122,911,736 troy ounces of silver deposited in the National Defense Stockpile. After January 15, 1987, no funds are provided for the storage, maintenance or protection of the remaining 10,000,000 troy ounces. Funds are available for the disposal of silver, and therefore the Committee directs the General Services Administration to plan and execute the sale of this amount of silver as authorized by Public Law 98–525 before January 15, 1987.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

	Amount (thousands)	Staff-years
1986 appropriation	$40,000	499
Gramm-Rudman reduction	1,892	
1986 adjusted	$38,108	499
Other changes:		
Increases:		
Net rent adjustment	+244	

PROPOSED LEVELS IN PRESIDENT'S BUDGET—Continued

	Amount (thousands)	Staff-years
Goods and services	+913	
Pay restoration	+20	
Office automation and administrative equipment	+70	
Employees' compensation	+61	
Restoration of Gramm-Rudman	+1,892	
Subtotal—other increases	+3,200	
Decreases:		
Consolidation of stockpile offices	−280	−7
GS/GM 11–15 grade reductions	−53	
Subtotal—other decreases	−333	−7
Total—increase or decrease 1986 compared to 1987	+2,867	−7

The Committee allows the 492 positions requested for fiscal year 1987, a reduction of 7 below the 499 positions authorized for fiscal year 1986.

National Defense Stockpile Transaction Fund

Appropriation, fiscal year 1986 to date	$20,000,000
Sequestered amount	−980,000
Total, fiscal year 1986	19,020,000
Budget estimate, fiscal year 1987	
Recommended in the bill	5,000,000
Bill compared with:	
Appropriation, fiscal year 1986	−14,020,000
Budget estimate, fiscal year 1987	+5,000,000

The Committee recommends an appropriation of $5,000,000, all of which is above of the fiscal 1987 budget request, and a decrease of $14,020,000 below fiscal year 1986.

The Committee recommends $5,000,000 for a grant to complete the federal share of construction funding for the strategic materials research facility at the University of Massachusetts at Amherst. In addition, the Commonwealth of Massachusetts has stressed its continued support of the center with matching state funds, and it is expected that private non-federal resources make up the amount necessary to complete the project.

OBSOLESCENCE AND QUALITY OF STOCKPILE MATERIALS

The Committee is concerned that much of the U.S. Strategic Stockpile does not meet current specifications for stockpile strategic materials because of technological innovations that have rendered much of its current supply obsolete as well as the quality thereof.

In accordance with the purpose of the Strategic and Critical Materials Stock Piling Act and the findings of the Congressional Office of Technology Assessment, the Committee recognizes the importance of reducing this nation's dependence on foreign sources for strategic materials. The field of polymer science can make a sig-

nificant contribution toward developing materials that can replace those commodities currently stockpiled or imported.

The Committee therefore recommends upgrading the current stockpile as soon as possible in order to yield the quality of materials needed to meet a surge situation in the most cost effective manner.

UPGRADING OF MATERIALS

Many materials in the United States Strategic Stockpile are substandard, and in a surge situation, the committee is gravely concerned about the nation's ability to supply the military with materials critical to the country's defense. The President's Blue Ribbon Commission of Defense Management recommended a coordinated effort to identify, plan, and upgrade materials necessary to support the full spectrum of potential emergencies. The Office of Technology Assessment and the Industry Task Force Groups, sponsored by the Federal Management Agency (FEMA) identified several metals which are substandard and are in immediate need of upgrading.

There is virtually no domestic production of cobalt, chromium, manganese, and platinum group metals which are all vital to the national defense posture. Southern Africa supplies most of these materials to the U.S., and in light of the geopolitical forces that face our foreign policy makers, the committee finds it prudent to lessen our dependence on foreign critical materials suppliers by upgrading our current stockpile. Furthermore, upgrading could potentially save millions of dollars.

General Management and Administration

SALARIES AND EXPENSES

Appropriation, fiscal year 1986 to date	$124,310,000
Sequestered amount	−5,021,000
Total, fiscal year 1986	119,289,000
Budget estimate, fiscal year 1987	125,374,000
Recommended in the bill	125,374,000
Bill compared with:	
Appropriation, fiscal year 1986	+6,085,000
Budget estimate, fiscal year 1987	

The Committee recommends an appropriation of $125,374,000, the full amount of the fiscal 1987 budget request, and an increase of $6,085,000 above fiscal year 1986.

This appropriation provides for policy direction and coordination of all GSA programs by the Administrator, his Deputy, 11 Regional Administrators and Congressional and Public Affairs; agency-wide acquisition policy, planning and coordination; and agency-wide administrative, financial, and management support services on a centralized and integrated basis.

The Committee has again deleted funds for representation expenses due to lack of authorizing legislation.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

	Amount (thousands)	Staff-years
1986 appropriation	$124,310	2,596
Gramm-Rudman reduction	5,021	
1986 adjusted	119,289	2,596
Program changes:		
Recompetition of teleprocessing services contract	6,300	
Enhancement of the Indian Trust Accounting Program	725	30
Consolidation of reg'i finance operations	−1,142	−28
Implement A–76 initiatives	−290	−10
Enhance Personnel Information Resources System [PIRS]	160	
Enhancement of ADP Bid Protest Program	442	7
Implement Program Fraud Civil Penalties Act	300	6
Transfer of the Regulatory Information Service Center	532	5
FTE reduction applicable to Procurement Automation Program		−5
Undistributed FTE		−191
Total program changes	7,027	−186
Other changes:		
Price escalations in nonpersonnel costs	1,279	
Net changes for RENT increases	178	
Increased contract maintenance	120	
Transfer of transportation audits to O.E., FSS	−6,813	−196
Transfer of Audit Resolution Field Representatives to Office of Inspector General	−650	−12
Transfers of O.E., IRMS, and Public Buildings Service	−77	−5
Restoration of Gramm-Rudman	5,021	
Total other changes	−942	−213
Total changes	+6,085	−399

GOVERNMENT TRAVEL AND AMTRAK

The Committee is encouraged by the provisions in Public Law 99–272, the Consolidated Omnibus Budget Reconciliation Act which allows Amtrak to participate in the Contract Air Program administered by General Services Administration. The Committee believes that this action will not only enhance the investment that the federal government has made in Amtrak, but will also result in reduced travel costs for the federal government. At a time when the budget environment requires every agency of the federal government to take extraordinary measures to achieve cost efficiency. The Committee expects the General Services Administration to take full advantage of this change in law. The Committee intends to monitor the effectiveness of this new law and directs the GSA to report back to the Committee by February 1, 1987 on what it has done to fully implement these provisions.

The Committee allows the 2,197 positions requested for fiscal year 1987, a reduction of 399 below the 2,596 positions authorized for fiscal year 1986.

INFORMATION RESOURCES MANAGEMENT SERVICES

OPERATING EXPENSES

Appropriation, fiscal year 1986 to date	$30,000,000
Sequestered amount	−1,293,000
Total, fiscal year 1986	28,707,000
Budget estimate, fiscal year 1987	30,653,000
Recommended in the bill	30,653,000
Bill compared with:	
Appropriation, fiscal year 1986	+1,946,000
Budget estimate, fiscal year 1987	

The Committee recommends an appropriation of $30,653,000, the full amount of the fiscal 1987 budget request, and an increase of $1,946,000 above fiscal year 1986.

This appropriation provides for the overall direction and coordination of comprehensive Government-wide programs for the management, procurement, and utilization of automatic data processing, telecommunications, and office information equipment and services. It provides for the development and coordination of Government-wide policies, procedures and regulations pertaining to ADP, telecommunications, and office information systems acquisition, management and utilization; provides for establishment of Government-wide automated data processing standards; provides information services to the public; and provides for the overall management of operations financed through the Automatic Data Processing (ADP) Fund and the Federal Telecommunications (FT) Fund.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

	Amount (thousands)	Staff-years
1986 appropriations	$30,000	499
Gramm-Rudman reduction	1,293	
1986 adjusted	28,707	499
Program changes:		
Increases:		
Growth of Information Security Oversight Office	106	
Decreases:		
Savings from reorganization and consolidation of regional operations	−670	−14
Total, program changes	−564	−14
Other changes:		
Increases:		
Impact of inflation	510	
SLUC/rent increase, current space	221	
Full-year impact of 5 percent pay restoration	31	
Office automation and ADP equipment modernization	540	
Restoration of Gramm-Rudman	1,293	
Transfer from GMA	77	1
Decreases:		
Administrative savings and one-time projects	−162	
Total, other changes	2,510	+1
Total changes	+1,946	−13

The Committee allows the 486 positions requested for fiscal year 1987, a reduction of 13 below the 499 positions authorized for fiscal year 1986.

OFFICE OF THE INSPECTOR GENERAL

Appropriation, fiscal year 1986 to date	$19,305,000
Sequestered amount	−858,000
Total, fiscal year 1986	18,447,000
Budget estimate, fiscal year 1987	21,108,000
Recommended in the bill	21,108,000
Bill compared with:	
Appropriation, fiscal year 1986	+2,661,000
Budget estimate, fiscal year 1987	

The Committee recommends an appropriation of $21,108,000, the full amount of the fiscal 1987 budget request, and an increase of $2,661,000 above fiscal year 1986.

This appropriation provides agencywide audit and investigative functions to identify and correct management and administrative deficiencies within GSA which create conditions for existing or potential instances of fraud, waste and mismanagement. The audits function provides internal audit, contract audit, and inspection services. Contract audits provide professional advice to GSA contracting officials on accounting and financial matters relative to the negotiation, award, administration, repricing, and settlement of contracts. Internal audits review and evaluate all facets of GSA operations. Inspection services provide detailed technical evaluations of GSA operations. The investigative function provides for the detection and investigation of improper and illegal activities involving GSA programs, personnel, and operations.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

	Amount (thousands)	Staff-years
1986 appropriation	$19,305	440
Gramm-Rudman reduction	−858	
Adjusted 1986	18,447	440
Program changes:		
Additional contract and internal audit support	1,000	
Other changes:		
Price escalation in nonpersonnel	153	
Restoration of Gramm-Rudman	858	
Transfer from GMA	650	+12
Total increase in 1987 over 1986	+2,661	+12

The Committee allows the 452 positions requested for fiscal year 1987, an increase of 12 over fiscal year 1986.

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

Appropriation, fiscal year 1986 to date	$1,100,000
Sequestered amount	−35,000
Total, fiscal year 1986	1,065,000
Budget estimate, fiscal year 1987	1,234,000
Recommended in the bill	1,234,000
Bill compared with:	
Appropriation, fiscal year 1986	+169,000
Budget estimate, fiscal year 1987	

The Committee recommends an appropriation of $1,234,000, the full amount of the fiscal 1987 budget request, and an increase of $169,000 above fiscal year 1986.

This appropriation provides for the pensions, office staffs, and related expenses for former Presidents Richard M. Nixon, Gerald R. Ford and Jimmy Carter, and for a pension and postal franking privileges for the widow of former President Lyndon B. Johnson as shown in the following table.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

	Former Presidents			Jackson Place	Widows	Total
	Nixon	Ford	Carter			
Personnel compensation	$96,000	$96,000	$96,000	0	0	$288,000
Personnel benefits	14,000	14,000	14,000	0	0	42,000
Benefits for former personnel:						
Pensions	86,200	86,200	86,200	0	$20,000	278,600
Unemployment compensation	2,700	2,700	0	0	0	5,400
Travel	30,000	35,000	21,000	0	0	86,000
Motor pool	1,000	1,000	2,000	0	0	4,000
Transportation of things	2,000	1,000	1,000	0	0	4,000
Rent, utilities and communications:						
Equipment rental/depreciation	3,900	1,000	1,000	0	0	5,900
Telephone	29,200	62,500	34,400	0	0	126,100
Postage	0	16,500	16,500	0	3,000	36,000
Rent	97,700	59,100	69,200	$64,000	0	290,000
Printing	2,200	1,600	3,200	0	0	7,000
Other services	4,200	5,200	15,600	0	0	25,000
Supplies and materials	6,500	9,400	5,100	0	0	21,000
Equipment	8,000	5,000	2,000	0	0	15,000
Total appropriation	383,600	396,200	367,200	64,000	23,000	1,234,000

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

OPERATING EXPENSES

Appropriation, fiscal year 1986 to date	$101,363,000
Sequestered amount	−4,359,000
Total, fiscal year 1986	97,004,000
Budget estimate, fiscal year 1987	101,321,000
Recommended in the bill	105,321,000
Bill compared with:	
Appropriation, fiscal year 1986	+8,317,000
Budget estimate, fiscal year 1987	+4,000,000

The Committee recommends an appropriation of $105,321,000, an increase of $4,000,000 above the fiscal 1987 budget request, and an increase of $8,317,000 above fiscal year 1986.

Pursuant to Public Law 98-497, the National Archives and Records Administration was established as an independent agency on April 1, 1985. This agency conducts the activities previously conducted by the National Archives and Records Service of GSA.

In 1987, records in the National Archives and Federal records centers will total approximately 16.2 million cubic feet. The number of reference services expected to be provided during fiscal year 1987 will total 28.8 million.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

	Amount (thousands)	Staff-years
Program changes:		
Increases:		
A. Preservation	415	
B. Carter Library	600	10
Decreases:		
Grant program	−4,000	
Total, program changes	−2,985	10
Other changes:		
Increases:		
A. Recurring reimbursables	+36	
B. Goods and services	+1,239	
C. NARA building O/M	+92	
D. Libraries O/M	+1,153	
E. Rent changes	+1,417	
F. Restoration of Gramm-Rudman	+4,359	
Decreases:		
A. A-76 initiatives	−112	−28
B. Productivity	−300	
C. NARA building repairs/alterations	−200	
D. Rent changes	−382	
Total, other changes	+7,302	−28
Total, increases/decreases compared to fiscal year 1986	4,317	−18

NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

The Committee has increased the appropriation for the National Archives and Records administration to provide $4,000,000 for NHPRC. This amount is above the President's budget request.

PERSONNEL

The Committee allows the 2,111 positions requested for Archives for fiscal year 1987, a reduction of 18 below the 2,129 positions authorized for fiscal year 1986.

Office of Personnel Management

SALARIES AND EXPENSES

Appropriation, fiscal year 1986 to date	$99,846,000
Sequestered amount	−4,293,000
Total, fiscal year 1986	95,553,000
Budget estimate, fiscal year 1987	99,846,000
Recommended in the bill	99,846,000
Bill compared with:	
Appropriation, fiscal year 1986	+4,293,000
Budget estimate, fiscal year 1987	

The Committee recommends an appropriation of $99,846,000, the full amount of the fiscal 1987 budget request, and an increase of $4,293,000 above fiscal year 1986.

To meet the administration's goals in specific management initiative areas, the Office of Personnel Management will be conducting studies for contracting out business-like functions to effect more efficient operations wherever possible.

The Office of Personnel Management is responsible for personnel management functions which include the following activities;

Staffing services.—This activity consists of (a) recruiting; (b) examining; and (c) developing classification standards.

Compensation.—The OPM administers compensation and benefits programs for the Federal employees and retired Federal employees. These include the Civil service retirement and disability fund, the Employees life insurance fund, the Employees health benefits fund, and the Retired employees health benefits fund.

Work force effectiveness and development.—The activity includes: (a) personnel management programs; (b) affirmative employment programs; (c) training assistance, and (d) labor-management relations.

Compliance and investigations.—This activity includes: (a) personnel management evaluations; (b) agency classification reviews; (c) work force information; and (d) assuring suitability.

Administrative services.—This activity includes: (a) personnel and equal employment opportunty; (b) budget; (c) finance; (d) facilities, publishing and acquisitions management; and (e) library and health services in support of all OPM programs.

ADP services.—This activity consists of the central computing facility and related functions in support of program requirements.

Executive services.—This activity includes: (a) executive direction; (b) policy development; (c) legal advice and representation; (d) public affairs; (e) legislative activities; (f) the Inspector General function; and (g) administration of the Senior Executive Service system.

Office of Government Ethics.—This activity carries out the provisions of the Ethics in Government Act of 1978 and subsequent amendments. In accordance with the requirements of Public Law 98–150, it is estimated that requests for appropriations will be $1,100 thousand for each year through 1991.

Other programs.—This activity includes: (a) administering the Voting Rights Act of 1965; and (b) operating expenses of the Presi-

dent's Commissions on Executive Exchange and White House Fellows.

Mandatory payments.—This activity finances certain mandatory overhead expenses including: (a) reimbursements to GSA for space rental and for Federal telecommunications services (FTS); (b) reimbursements to the U.S. Postal Service for penalty mail and parcel post; (c) reimbursements to the Department of Labor for workers compensation and unemployment benefits paid; and (d) other miscellaneous services.

PERFORMANCE APPRAISAL SYSTEM

The Committee expects that OPM, in connection with its responsibilities to review performance appraisal systems under 5 C.F.R. 430.410, will direct agencies to correct any deficiencies with respect to performance appraisal plans inconsistent with the requirements of 5 U.S.C. 7201 concerning affirmative action hiring goals and that the Office shall pay particular attention to agency enforcement of 5 U.S.C. Sec. 4313(5) which establishes that meeting affirmative action and achievement of equal opportunity requirements as critical elements for members of the Senior Executive Service.

The Committee requests that OPM require each agency, in connection with such reports as they require on performance management plans under 5 C.F.R. Sec. 430.207(c), to monitor the performance of Senior Executives on critical elements involving affirmative action, and thereafter transmit such data and appropriate analyses to the Committee by January 1, 1987 to ensure compliance with affirmative action goals required by law.

The Committee directs OPM whenever it finds an agency performance appraisal system deficient under 5 C.F.R. Sec. 206 with respect to accomplishment of affirmative action hiring goals required by law to take immedate action to direct the agency to correct its operations under the system.

LEAVE BANK STUDY

The Office of Personnel Management is directed to make a study of the desirability, feasibility, and costs, if any, of permitting employees to donate annual leave that would otherwise go unused for the use of other employees who need such leave for medical, or family emergency or other hardship situations. The Office shall submit a report to Congress, including any legislative recommendations, no later than 1 year after date of enactment of this Act.

NEW RETIREMENT SYSTEM FUNDING

The Committee notes that it has provided $55.4 million to the Office of Personnel Management (OPM) to administer the current civil service retirement system. The Committee also expects the OPM to provide for the new Federal employees retirement system, both in implementing the new system and in assisting employees in understanding and making appropriate decisions regarding their participation in the various retirement systems. The Committee expects that if additional funds are required for either purpose, the

administration will submit a request for the amount necessary to meet these goals.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

The Office of Personnel Management has requested no funding above the amount appropriated for 1986. The Office is requesting restoration of Gramm-Rudman reductions.

The Committee allows 2,230 positions, the number requested for fiscal year 1987 and an increase of 1 above the 2,229 positions authorized for fiscal year 1986.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS

Appropriation, fiscal year 1986 to date	$1,606,165,000
Sequestered amount	−69,065,000
Total, fiscal year 1986	1,537,100,000
Budget estimate, fiscal year 1987	1,469,357,000
Recommended in the bill	1,469,357,000
Bill compared with:	
Appropriation, fiscal year 1986	−67,743,000
Budget estimate, fiscal year 1987	

The Committee recommends an appropriation of $1,469,357,000, the full amount of the fiscal 1987 budget request, and a decrease of $67,743,000 below fiscal year 1986.

This appropriation covers: (1) the Government's share of the cost of health insurance for 1,526,000 annuitants as defined in sections 8901 and 8906 of title 5, United States Code; (2) the Government's share of the cost of health insurance for 40,000 annuitants (who were retired when the Federal employees health benefits law became effective), as defined in the Retired Federal Employees Health Benefits Act of 1960; and (3) the Government's contribution for payment of administrative expenses incurred by the Office of Personnel Management in administration of the act.

The use of these funds is reflected in the schedules for the Employees health benefits fund and Retired employees health benefits fund.

The Committee notes the assurances of the Director of the Office of Personnel Management that the amount of funds appropriated by the Committee for the government's contribution for annuitants in the federal employees health benefits system is sufficient to maintain current service levels. It is the Committee's intent in approving the requested appropriation of $1.469 billion to provide sufficient funds to maintain federal employee health benefits at no less than current levels.

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

Appropriation, fiscal year 1986 to date	4,407,234,000
Sequestered amount	
Total, fiscal year 1986	4,407,234,000
Budget estimate, fiscal year 1987	4,619,365,000
Recommended in the bill	4,619,365,000
Bill compared with:	
Appropriation, fiscal year 1986	+212,131,000
Budget estimate, fiscal year 1987	

The Committee recommends an appropriation of $4,619,365,000, the full amount of the fiscal 1987 budget request, and an increase of $212,131,000 above fiscal year 1986.

Payment of Government share of retirement costs.—The Civil Service Retirement Amendments of 1969 provide for financing of the current year's costs of the unfunded liability created since its enactment on October 20, 1969. Any statute which authorizes (1) new or liberalized benefits, (2) extension of retirement coverage, or (3) pay increases, is deemed to authorize appropriations to the fund to finance the unfunded liability created.

Transfers for interest on unfunded liability and payment of military service annuities.—The Secretary of the Treasury is required to make annual payments from general revenues into the Retirement fund of an amount equivalent to: (1) interest on the unfunded liability ($9,186 million), and (2) annuity disbursements attributable to military service ($2,034 million). The Office of Personnel Management, at the end of each year, notifies the Secretary of the Treasury of the amount of payment to be made to the Retirement fund and reports such sums to the President and Congress. The unfunded liability on which the interest payment is computed is based on static economic assumptions, i.e. no inflation, which cause the liability to be understated. A more realistic estimate of the unfunded liability is made under Public Law 95–595 which requires dynamic assumptions which include future inflation. For 1984, the static unfunded liability on which interest was paid in 1985 was $190.6 billion as opposed to the more realistic estimate under Public Law 95–595 of $542.1 billion.

Payments for contribution deficiency.—The Social Security Amendments of 1983 make employees hired after December 31, 1983 subject to Social Security taxes. The Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983, Public Law 98–168, provides that such employees will contribute only 1.3 percent of their basic pay to the various Federal retirement systems for interim coverage and that the appropriate agencies shall determine the amount of the contribution deficiency at the end of 1984, 1985, and 1986. The Office of Personnel Management will notify the Secretary of the Treasury of the deficiency for each fiscal year with respect to the Civil Service Retirement and Disability Fund, and an amount equal to the deficiency will be credited to the fund before the close of the fiscal year.

Payments for spouse equity.—The Civil Service Retirement Spouse Equity Act of 1985, Public Law 98–615, provides for the payment of survivor annuities to eligible former spouses of annuitants who died between September 1978 and May 1986 and who did not elect survivor coverage. The law authorizes the Office of Personnel Management to notify the Secretary of the Treasury of the amount of such annuities paid each fiscal year and directs the Secretary to credit this amount to the Civil Service Retirement and Disability Fund.

Payment of annuities under special acts.—These annuities are paid to persons who were employed on the construction of the

Panama Canal or their widows and widows of former employees of the Lighthouse Service.

Merit Systems Protection Board

SALARIES AND EXPENSES

Appropriation, fiscal year 1986 to date	$20,000,000
Sequestered amount	−860,000
Total, fiscal year 1986	19,140,000
Budget estimate, fiscal year 1987	20,251,000
Recommended in the bill	20,251,000
Bill compared with:	
Appropriation, fiscal year 1986	+1,111,000
Budget estimate, fiscal year 1987	

The Committee recommends an appropriation of $20,251,000, the full amount of the fiscal 1987 budget request, and an increase of $1,111,000 above fiscal year 1986.

The Merit Systems Protection Board performs the adjudicatory functions necessary to maintain the civil service merit system. These include hearing appeals on adverse actions, reduction in force actions, and retirement. The Board will report to the President on whether merit systems are sufficiently free from prohibited personnel practices to protect the public interest.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

The budget request for the Board includes an increase of $251,000 to cover inflationary increases in support costs and $860,000 to restore the reductions of Gramm-Rudman.

The Committee allows the 364 positions requested for fiscal year 1987, the same number of positions as authorized for fiscal year 1986.

Office of Special Counsel

Appropriation, fiscal year 1986 to date	$4,594,000
Sequestered amount	198,000
Total, fiscal year 1986	4,396,000
Budget estimate, fiscal year 1987	4,640,000
Recommended in the bill	4,640,000
Bill compared with:	
Appropriation, fiscal year 1986	+244,000
Budget estimate, fiscal year 1987	

The Committee recommends an appropriation of $4,640,000, the full amount of the fiscal 1987 budget request, and an increase of $244,000 above fiscal year 1986.

The Special Counsel is empowered to investigate prohibited personnel practices in Federal agencies and political activities prohibited by the Hatch Act, and to administratively prosecute offending employees and agencies before the Merit Systems Protection Board. The Special Counsel may also transmit "whistleblower" allegations to the agency head concerned and require an agency investigation and a report to the Congress and the President when found appropriate.

Many cases that are referred to the Office are resolved without recourse to formal proceedings before the Board. Efforts to obtain such informal resolutions should continue in 1987.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

The budget request for the Special Counsel includes an increase of $46,000 to cover inflationary increases in support costs and $198,000 to restore the Gramm-Rudman reductions.

The Committee allows the 84 positions requested for fiscal year 1987, the same number of positions as authorized for fiscal year 1986.

FEDERAL LABOR RELATIONS AUTHORITY

Appropriation, fiscal year 1986 to date	$17,064,000
Sequestered amount	734,000
Total, fiscal year 1986	16,330,000
Budget estimate, fiscal year 1987	17,064,000
Recommended in the bill	17,064,000
Bill compared with:	
Appropriation, fiscal year 1986	+734,000
Budget estimate, fiscal year 1987	

The Committee recommends an appropriation of $17,064,000 the full amount of the fiscal 1987 budget request, and an increase of $734,000 above fiscal year 1986.

The purpose of the Authority is to serve as a neutral party in the settlement of disputes that arise between unions, employees, and agencies on matters outlined in the Federal Service Labor Management Relations Statute, decide major policy issues, prescribe regulations, and disseminate information appropriate to the needs of agencies, labor organizations, and the public. Establishment of the Federal Labor Relations Authority give full recognition to the role of the Federal Government as an employer.

Authority members.—The Authority adjudicates labor-management disputes in the Federal sector including appeals or negotiability issues; exceptions to arbitration awards; appropriate units for the purposes of exclusive recognition; eligibility of labor organizations for national consultation rights and unfair labor practice complaints.

Administrative law judges.—This activity provides for holding hearings on unfair labor practice complaints, issuing reports, and making recommendations to the Authority on each case to allow timely settlement of disputes arising between agencies and unions. Workloads are reflected in the following table:

Office of the General Counsel.—The functions of this Office include the investigation of all allegations of unfair labor practices filed and the processing of all representation petitions received; the exercise of final authority over the issuance and prosecution of all complaints; the supervision and conducting of elections concerning the exclusive recognition of labor organizations and the certification of the results of elections; the conducting of all hearings to resolve disputed issues in representation cases; preparing final Decisions and Orders in these cases; and the direction and supervision

of all employees of the Regional Offices. Workloads are reflected in the following table:

Federal Service Impasses Panel.—The functions of the Panel involve the resolution of labor negotiation impasses between Federal agencies and labor organizations which arise under the Civil Service Reform Act of 1978, the Panama Canal Act of 1979 and other statutes. The Panel uses a variety of procedures including factfinding and arbitration.

Management and administrative support.—This activity provides a complete range of administrative support to all components of the Federal Labor Relations Authority. These activities involve representing the agency in litigation, providing legal advice; financial management, which includes budget, accounting and payroll support; personnel management, which includes position management and classification; and officer services, which includes space management, procurement, contracting, printing support, supply and property management, records management, and other administrative services.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

To provide for funding of periodic/merit increases as well as restoration of funds for SES Bonus payments, incentive awards, summer intern and coop programs	+$311,000
To cover restoration of travel funds to prior levels and reinstitute a program to provide temporary staff details	+170,000
For reduced space rental charges under GSA's new RENT System (−$112,000) offset by increases in rental costs, and telecommunication costs (+$71,000)	−41,000
To restore funds for providing clientele with printed materials as well as to print documents delayed in FY 1986 and to cover general cost increases	+66,000
For increased costs associated with maintenance of equipment, court reporting, space renovations and miscellaneous services as well as restoring funds for training	+184,000
To cover cost increases associated with the purchase of supplies and to restore funds for procurement of a full range of supplies and materials for headquarters and the Regions	+24,000
To meet equipment replacement needs as well as to exercise lease/purchase options	+20,000
Total increases	+734,000

SUBALLOCATION OF FUNDS WITHIN FLRA

The Committee is concerned about the suballocation of financial resources made available to the Authority. The Committee directs the Authority to take extreme care to insure that both increases and reductions to the Authority are allocated to accounts within the Authority on an equitable basis. The Committee directs the Authority to obtain Committee approval prior to any reductions or reprogrammings which affect those entities which make up the Authority. The Committee recognizes that financial and organizational inefficiencies would result from the establishment of separate appropriation accounts and expects the managers within the Authority to act cooperatively to insure that it does not become necessary for Congress to take any further action.

The Committee allows the 277 positions requested for fiscal year 1987, a reduction of 14 below the 291 positions authorized for fiscal year 1986.

UNITED STATES TAX COURT

SALARIES AND EXPENSES

Appropriation, fiscal year 1986 to date	$24,556,000
Sequestered amount	−1,056,000
Total, fiscal year 1986	23,500,000
Budget estimate, fiscal year 1987	25,538,000
Recommended in the bill	25,538,000
Bill compared with:	
Appropriation, fiscal year 1986	+2,038,000
Budget estimate, fiscal year 1987	

The Committee recommends an appropriation of $25,538,000, the full amount of the fiscal 1987 budget request, and an increase of $2,038,000 above fiscal year 1986.

The U.S. Tax Court hears and decides cases involving Federal income, estate and gift tax deficiencies and excise taxes relating to public charities, private foundations, qualified pension plans, real estate investment trusts, and windfall profit tax on domestic crude oil. It also renders declaratory judgments regarding the qualification or continuing qualification (including revocations of rulings on the exemptions) of retirement plans.

The Tax Court has jurisdiction to render declaratory judgments with respect to exempt organization status determinations pursuant to section 501(c)(3), Internal Revenue Code, and to enter declaratory judgments on the tax treatment of interest on proposed issues of Government obligations. In addition, the court has jurisdiction over actions to restrain disclosure and to obtain additional disclosure with respect to public inspection of written determinations issued by the Internal Revenue Service, and actions to compel the disclosure of the identity of third-party contacts relating to written determinations made by the Internal Revenue Service.

PROPOSED LEVELS IN PRESIDENT'S BUDGET

	Amount	Staff-years
Increased personnel	$74,000	+3
Within grade pay increase and promotions	+290,000	
Annualization positions authorization in prior years	+354,000	
Automated docket system	+400,000	
SLUC increases	+509,000	
Equipment and training	+29,000	
Nonrecurring costs	+674,000	
Restoration of Gramm-Rudman	+1,056	
Total increases	2,038,000	+3

The Committee allows 339 positions, the number requested for fiscal year 1987 and an increase of 9 above the 330 positions authorized for fiscal year 1986.

STATEMENT CONCERNING GENERAL PROVISIONS

This bill carries a number of general provisions, some of which are routine and have been carried for a number of years, and some are proposed for the first time this year.

Those general provisions that deal with a single agency only are shown immediately following that agency's appropriation in the accompanying bill. Others that deal with all of the agencies provided for in this bill are shown under Title V, and those general provisions that are Government-wide in scope are shown under Title VI of the accompanying bill.

TITLE V—GENERAL PROVISIONS, THIS ACT

SECTION 512

The Committee notes that the Commissioner of Customs and the Department of Treasury have the responsibility under 19 CFC 12.42(e) to deny importation of goods on which there is reasonable but no conclusive evidence that such products were made by forced labor in accordance with section 307 of the 1930 Tariff Act. Before this Committee, the Assistant Secretary of Treasury Francis Keating testified on March 5, 1986, "We have made it very clear to all parties that we intend to move provided the evidence is there. We brought the Justice Department into the process during the course of the last several weeks because of the need to assemble witness testimony such as this gentleman as well as tangible physicial evidence to introduce in any court action following the Commissioner's actions.

"We have understood that the March 1st deadline is what Senator Armstrong wanted to see. We think more realistically it will be April 1st. But we are hot on the issue, and we are presenting the evidence and assembling it for the Commission."

As of July 16, 1986, no enforcement of the slave labor ban has emerged and the Committee finds it necessary to continue to state its resolve that the Treasury Department should enforce the forced labor provisions of the Tariff Act. The bill language means that no federal employee or other government official may stand in the way of enforcement of this law.

SECTION 520

The Committee has included bill language requiring monthly status reports on the employment floor contained in this Act for the U.S. Customs Service. The Committee has included this language in order to gauge whether or not the level of staffing of the U.S. Customs Service meets with Congressional intent. In the past, Congress has authorized and appropriated funds for certain levels of personnel for the Customs Service and requested that personnel be allocated to certain districts. The Committee has then requested reports on vacancies in the Customs Service, which they did not receive until three years later. Therefore, the Committee finds it necessary to mandate such reports be made available on a monthly basis.

SECTION 521

Effective January 15, 1987, Sections 521 and 522 prohibit the use of any funds provided by this Act to store, maintain or protect more than 122,911,736 troy ounces of silver deposited in the National Defense Stockpile. After January 15, 1987, no funds can be used for the protection, maintenance or storage of the remaining 10,000,000 troy ounces of silver in the stockpile.

For over a decade now, all inventories of silver in the stockpile have been declared in excess of goals. During this time, millions of federal dollars have been spent to store and maintain commodities not identified as critical or strategic for our national defense. In fact, the Federal Emergency Management Agency reports that $3.1 billion worth of materials currently deposited in the stockpile are not classified as critical or strategic.

The storage of these excess materials in the stockpile while stated goals remain unfilled is a threat to the national security of our country. FEMA estimates that the value of commodities required to fill the current stockpile goals is $9.7 billion.

Moreover, the National Defense Stockpile should not be used for narrow economic gain or political purposes. The Strategic and Critical Materials Stock Piling Act clearly states that "the purpose of the stockpile is to serve the interest of national defense only and is not to be used for economic or budgetary purposes." In this particular case, funds generated from the sale of excess silver will be deposited in the transaction fund for use in purchasing materials required to meet the stockpile goals. Any blanket prohibition to prevent the disposal of excess materials in the stockpile threatens our national security by limiting the inventory of materials identified as critical and strategic.

SECTION 522

Section 522 prohibits the transfer of any stockpile functions now exercised by the General Services Administration to any other agency or department of the federal government.

TITLE VI

General Provisions—Governmentwide

SECTION 613: LIMITATION ON PAY INCREASES

The Committee has recommended updating last year's general provision. This section limits the pay increases of federal blue collar and certain other workers in 1987 to the same percentage increase that federal white collar workers receive.

SECTION 617

This section provides that when a federal employee dies or has a life threatening illness while serving abroad, travel expenses may be paid to the immediate family of that employee from appropriated funds.

SECTION 618

The Committee has inserted language in the bill which would allow the Federal Employee Education and Assistance Fund to apply to participate in the Combined Federal Campaign. The Committee emphasizes that this language is intended only to permit the Fund to be considered for inclusion and does not mandate its inclusion in the Combined Federal Campaign.

SECTION 619

This section provides that none of the funds appropriated by this Act or any other Act shall be used for preparing, promulgating or implementing new regulations dealing with organization participation in the 1986 or 1987 Combined Federal Campaign other than repromulgating and implementing the 1984 and 1985 Combined Federal Campaign regulations, unless such regulations provide that any charitable organization which participated in any prior campaign shall be allowed to participate in the 1986 or 1987 campaign.

The Committee notes that increased choice has led to more dedicated participation by Federal employees, causing the campaign to grow from $82 million in 1979 to $122 million in 1984, with the average employee gift rising from $30 to $50 over the same period. In founding the CFC, President Kennedy stated that the campaign was for health and welfare agencies and other such national voluntary agencies as may be appropriate. The Committee remains concerned that certain valuable national voluntary agencies may be excluded by regulations and urges the Office of Personnel Management, the United Way and other interested agencies and organizations to resolve this ongoing controversy so that the campaign may continue to encompass the broad interests of Federal employees and preserve the greatest freedom of choice for Federal employees.

SECTION 620

Section 620 of the bill prohibits the use of funds to implement or enforce the rule proposed on May 7, 1986 (51 *Fed. Reg.* 16988–16991) or any other regulation which requires competitive procurement of electric, gas, or steam utility service by the Federal Government. This limitation is necessary to avoid potentially serious harm to customers of utility systems that could result if competitive acquisition provisions are adopted for general application by the Federal Government.

The Committee has adopted Section 620 to protect utility customers from the burden of increased rates that inevitably would result if federal facilities abandon local utility systems. Utility systems have built necessary capacity under state-created obligations to serve all customers, including federal facilities, within their service territories. As a general rule, under state law only one utility is authorized to provide retail utility service within its service territory.

Pursuant to the paramount duty to serve its customers, utilities across the nation have invested billions of dollars to provide generating and transmission capacity, in part in reliance upon the projected needs of the Federal Government. The Federal Government

has enjoyed the benefits of the reliable and efficient utility service provided by these systems. Now it has been proposed that the Federal Government seek competitive acquisition of utility supply, notwithstanding the fact that the local utilities have built their systems to accommodate the present and future needs of federal facilities.

If the Federal Government switches suppliers, the fixed costs of capacity built to serve federal facilities would almost immediately be shifted to the remaining customers of the utility. Such a result is inequitable. In addition, federal supply switching could further complicate utility system forecasting and capacity planning and could impair system reliability. The proposal has serious legal, technical, and economic repercussions. The Committee intends that this provision avoid these detrimental consequences.

The May 7 proposal raises serious problems as well with respect to the fundamental regulatory scheme which has applied for the last fifty years to the sale and distribution of electricity. Under the Federal Power Act of 1935 (16 U.S.C. 824 et seq.), and subsequent legislation such as the Public Utility Regulatory Policies Act of 1978, Congress has exerted exclusive jurisdiction over sales of electricity for resale in interstate commerce while at the same time expressly reserving to the states authority to regulate the retail sale and distribution of electricity. The autonomy of the states in this area has historically been preserved by federal statute. The proposed rules disregard state authority over retail electric sales by directing federal contracting officers to ignore state-created utility service territories when procuring electric service. In effect the rule proposes to dismantle the current, long established regulatory system by permitting the Federal Government, the nation's largest single electricity consumer, to disregard the rules governing all other participants in the heavily-regulated market for retail electric service.

The May 7 proposal was promulgated under purported new authority in the Competition in Contracting Act of 1984 (P.L. 98-369, Title VII) (CICA). Congress enacted the CICA to curb abuses in federal procurement practices. However, the proposed rule is misguided because the abuses of sole source contracting that led Congress to enact CICA did not involve the purchase of utility service from heavily regulated utilities at prices and terms specified by state and federal regulatory authorities. Nor does CICA specifically mandate the use of competitive contracting procedures for the procurement of electric service.

The Committee believes that the Federal Government as an electric consumer should abide by state franchise territory restrictions and regulatory authority over retail electric rates and service. Section 620 precludes the promulgation, implementation, and enforcement of rules that would permit the Federal Government to escape these limitations.

SECTION 621

The Committee has included language to prohibit implementation of the regulation proposed by the Office of Federal Procurement Policy, or any similar proposal, to repeal the federal small

business set-aside regulation known as the "rule of two," which is currently used by all federal agencies. The rule of two requires agencies to set aside contracts for small businesses when there is a reasonable expectation that offers will be received from at least two responsible small businesses and that awards will be made at reasonable prices.

It is the Committee's understanding that the rule of two has worked well in ensuring that small businesses are able to compete equitably for federal contracts. The OFPP proposal could reduce the amount of contracts set aside for small businesses as much as 50 percent. That would seriously disrupt the small business community, which accounts for 99 percent of all businesses in the United States, resulting in economic dislocations for thousands of small business owners and their employees.

SECTION 622

The Committee has inserted this provision which extends the period in which OMB and the affected universities shall work to resolve the cost issues involved in OMB Circular A-21. The extension is necessary because negotiations have not yet been concluded satisfactorily.

COMPLIANCE WITH HOUSE RULES

COMPARISON WITH BUDGET RESOLUTION

In accordance with section 308(a)(1)(A) of the Congressional Budget Act of 1974 (Public Law 93-344), the following table provides comparisons between the new budget authority targets set forth in the First Concurrent Resolution on the Budget, as allocated by the Committee on Appropriations under section 302 of the Act, and the budget authority contained in the accompanying bill:

[In millions of dollars]

	Sec. 302(b)		This bill	
	Discretionary	Mandatory	Discretionary	Mandatory
Budget authority	$7,717	$6,016	$7,714	$6,089
Outlays	6,712	6,845	6,921	6,868

The bill provides no new spending authority as described in section 401(c)(2) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended,

DEFINITION OF "PROGRAM, PROJECT, AND ACTIVITY" AS PROVIDED FOR BY PUBLIC LAW 99-177, THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985

During fiscal year 1987, for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177), the following information provides the definition of the term "program, project and activity" for departments and agencies under the jurisdiction of the Treasury, Postal Service and General Government

Subcommittee. The term "program, project and activity" shall include the most specific level of budget items identified in the Treasury, Postal Service and General Government Appropriations Act, 1987 as passed the House including this House Report which accompanies that Act. (Under the above definition, the Federal Buildings Fund, the Bureau of Engraving and Printing Fund and other intragovernmental funds are exempt under section 255(g)(1) of Public law 99-177.)

TRANSFER OF FUNDS

Pursuant to Clause 1(b), Rule X of the House of Representatives, the following table is submitted describing the transfer of funds provided in the accompanying bill.

The table shows, by title, Department and agency, the appropriations affected by such transfers.

APPROPRIATION TRANSFERS RECOMMENDED IN THE BILL

Account to which transfer is to be made	Amount	Account from which transfer is to be made	Amount
Federal Property Resources Service	$11,563,000	Proceeds from transfer of property	$11,563,000
Office of Personnel Management	55,400,000	Trust fund of the Office of Personnel Management.	55,400,000
Merit S, 'ems Protection Board	1,200,000	Civil service retirement and disability fund	1,200,000

Compliance With Rule XI, Clause 2(l)(4)

INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(l)(4), Rule XI of the House of Representatives, the Committee estimates that enactment of this bill would have minimal overall inflationary impact on prices and costs in the operation of the national economy.

The total amount recommended in the bill is about $753 million more than the total amount appropriated for these same agencies for fiscal year 1986 and about $938 million more than is proposed in the President's budget request.

FIVE-YEAR PROJECTIONS

In compliance with section 308(a)(1)(C) of the Congressional Budget Act of 1974 (Public Law 93-344), as amended, the following table contains five-year projections associated with the budget authority provided in the accompanying bill:

[In thousands]

Budget authority	$13,802,862
Outlays:	
Fiscal year 1987	12,798,526
Fiscal year 1988	913,706
Fiscal year 1989	76,149
Fiscal year 1990	14,421
Fiscal year 1991 and future years	0

FINANCIAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

In accordance with section 308(a)(1)(D) of the Congressional Budget Act of 1974 (Public Law 93-344), as amended, the financial assistance to State and local government is as follows:

[In thousands]

New budget authority	0
Fiscal year 1987 outlays resulting there from	0

COMPLIANCE WITH RULE XXI, CLAUSE 3

In compliance with rule XXI, clause 3, the Committee has inserted at the appropriate place in the report a description of the effects of provisions proposed in the accompanying bill which may be considered, under certain circumstances, to change the application of existing law, either directly or indirectly:

The bill provides, in some instances, for funding of agencies and activities where legislation has not yet been finalized (U.S. Customs Services, Bureau of the Mint, the Administrative Conference and the Federal Election Commission.) In addition, the bill carries language, in some instances, permitting activities not authorized by law, or exempting agencies from certain provisions of law, but which has been carried in appropriations acts for many year.

In Title IV of the bill, in connection with the General Services Administration, certain limitations on availability of revenue in the Federal Buildings Fund and certain legislative provisions have been carried forward from last year. The Committee has included a provision requiring approval by the Appropriations Committee of additional repair and alteration projects, as well as several additional general provisions.

The bill continues a number of general provisions applying to agencies covered by the bill as well as certain provisions applying Government-wide. These provisions have been carried in the prior year appropriations bill, and a number of them have been carried for many years.

The following provisions are included in the bill for fiscal year 1987:

TITLE I—TREASURY DEPARTMENT

OFFICE OF THE SECRETARY

The Committee has inserted language which provides funds for operation and maintenance of the Treasury Building and Annex, and expenses for unforeseen emergencies.

INTERNATIONAL AFFAIRS

The Committee has inserted language which provides funds for maintenance repair and purchase of commercial insurance policies for rental properties overseas, and for official travel expenses.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

The Committee has inserted language which provides funds for student athletic and related activities, uniform purchases, conduct-

ing of and participating in firearms matches, repair and minor construction of the facility to remain available until expended, for State and local law enforcement training and training of foreign law enforcement officials on a space available basis, acceptance of gifts, training of private sector security officials on a reimbursable space available basis, and travel expenses on non-federal personnel to attend state and local course development meetings at the Center.

Financial Management Services

The Committee has inserted language which provides funds to remain available until expended for systems modernization.

Bureau of Alcohol, Tobacco and Firearms

The Committee has inserted language which provides funds for hire of aircraft, services of expert witnesses, enforcement of the Federal Alcohol Administration Act, attorney's fees under certain conditions.

U.S. Customs Service

The Committee has inserted language which provides funds for compensation to informers, for rental of space for pre-clearance operations, part-time and temporary positions, for research, for uniforms, for establishing a minimum number of positions and that all current services continue to be provided.

Authorization for the Customs Service has not been enacted.

U.S. Mint

The Committee has inserted language which provides funds for research and development projects; and for expansion and improvement of Mint facilities.

Authorization for the Mint has not been enacted.

Internal Revenue Services

The Committee has inserted language which provides funds for payment of services as authorized by 5 U.S.C. 3109 at such rates as may be determined by the Commissioner, for research, for systems modernization initiatives, for the Tax Counseling of the Elderly Program, transfer authority within IRS appropriations and transfer of funds for document matching.

The Committee has also inserted an administrative provision to prohibit the Internal Revenue Service from enforcing a temporary IRS regulation regarding record-keeping for vehicles.

U.S. Secret Service

The Committee has inserted language which provides funds for hire of aircraft, training and assistance requested by State and local governments, services of expert witnesses, rental of certain buildings, improvements to buildings as may be necessary for protective functions, conducting of firearms matches, presentation of

awards and travel of employees on protective missions, uniforms, and for research.

Department of Treasury—General Provisions

Section 101: The Committee has continued language which provides funds for uniforms, cleaning, issuance of vehicles operated in foreign countries and services as authorized by 5 U.S.C. 3109.

Section 102: The Committee has continued language which prohibits funds from being used for the collection of taxes unless IRS complies with certain provisions of the Fair Debt Collection Act.

Section 103: The Committee has continued language which prohibits IRS from disqualifying certain plans.

Section 104: The Committee has continued language which provides for transfer of funds within Treasury.

Section 105: The Committee has continued language which prohibits Treasury from placing certain bureaus under the jurisdiction of the Inspector General.

TITLE II—POSTAL SERVICE

The Committee has continued language which prohibits funds made available to the Postal Service from closing certain post offices, from charging employees of local child support agencies and provides funds for free mail for the blind and for 6 day mail delivery and rural delivery of mail at certain levels.

TITLE III—EXECUTIVE OFFICE OF THE PRE IDENT

Compensation of the President

The Committee has continued language which mandates that unused amounts of the President's expense allowance will revert to the Treasury and not be taxable to the President.

Official Residence of the Vice President

The Committee has continued language which provides funds for official expenses of the Vice President and authorizes repayment or transfer of funds to any department for carrying out certain activities.

Office of Management and Budget

The Committee has inserted language prohibiting OMB from reviewing transcripts under certain conditions, from reviewing marketing orders, from reducing certain publications, from revising certain methodologies and from funding the Office of Information and Regulatory Affairs.

TITLE IV—INDEPENDENT AGENCIES

Administrative Conference of the United States

The Committee has inserted language which provides funds for official reception and entertainment expenses. The authorizing legislation for the conference has not yet been enacted into law.

Advisory Commission of Intergovernmental Relations

The Committee has inserted language which provides funds for crediting and using funds collected from sale of publication for use for the purposes of this appropriation.

Committee for Purchase From the Blind and Other Severely Handicapped

The Committee has inserted a provision prohibiting the use of funds for hiring under certain circumstances.

Federal Election Commission

The Committee has inserted language which provides funds for the Federal Election Commission which is not authorized under current law.

General Services Administration

FEDERAL BUILDINGS FUND

The Committee has inserted language dealing with the conditions under which funds made available to the Federal Buildings Fund can be used and has designated certain projects which can be accomplished.

NATIONAL DEFENSE STOCKPILE TRANSACTION FUND

The Committee has inserted language which provides funds for a grant for construction of a research facility.

The Committee has also inserted language which provides for upgrading the Strategic Stockpile.

GENERAL MANAGEMENT AND AGENCY OPERATIONS

The Committee has inserted language which provides funds for support of Congressional District and Senate State offices and for services performed for other agencies under certain conditions.

INSPECTOR GENERAL

The Committee has inserted language which provides funds for payment for information and detection of fraud.

General Services Administration

GENERAL PROVISIONS

The Committee has inserted language which provides funds for crediting GSA with certain funds under certain conditions in connection with property transferred to GSA, for charges for space and services constituting certain public improvements, the transfer of funds within GSA and for lease of space in buildings erected on land owned by the United States.

Office of Personnel Management

The Committee has inserted language which provides funds for medical exams performed for veterans, rental of conference rooms, official entertainment, the authority to use certain trust funds and for the Commission on Executive Legislative and Judicial Salaries.

Merit System Protection Board

The Committee has inserted language which provides funds for rental of conference rooms and administrative expenses to adjudicate retirement appeals under certain circumstances.

Office of Special Counsel

The Committee has inserted language which provides funds for payment of fees and expenses for witnesses and rental of conference rooms.

Federal Labor Relations Authority

The Committee has continued language which provides funds for hire of experts and consultants, rental of conference rooms, certain public members to be paid travel and per diem in lieu of subsistence.

U.S. Tax Court

The Committee has continued language which provides funds for travel expenses of judges to be paid upon certification.

TITLE V—GENERAL PROVISIONS—THIS ACT

Section 512

Section 501: The Committee has continued this General Provision which provides for certain travel limitations.

Section 502: The Committee has continued this General Provision which provides for certain employment practices regarding veterans.

Section 503: The Committee has continued this General Provision establishing offices outside of the District of Columbia.

Section 504: The Committee has continued this General Provision limiting funds to the current fiscal year.

Section 505: The Committee has continued this General Provision regarding consultant services.

Section 506: The Committee has continued this General Provision regarding procurement of hand tools.

Section 507: The Committee has continued this General Provision regarding employment of veterans.

Section 508: The Committee has continued this General Provision which provides for the advertising of wine and distilled spirits.

Section 509: The Committee has continued this General Provision prohibiting certain action with regard to Ft. DeRussey, in Honolulu, HA.

Section 510: The Committee has continued this General Provision prohibiting the closing of an office in Sacramento, CA.

Section 511: The Committee has continued this General Provision prohibiting the elimination of existing requirements for surety bonds.

Section 512: The Committee has continued this General Provision amending the provision on enforcing section 307 of the Tariff Act.

Section 513: The Committee has continued this General Provision prohibiting the transfer of control over the Federal Law Enforcement Training Center.

Section 514: The Committee has continued this General Provision prohibiting the procurement of stainless steel flatware except under certain circumstance.

Section 515: The Committee has continued this General Provision prohibiting the use of funds for certain propaganda purposes.

Section 516: The Committee has continued this General Provision prohibiting the use of funds appropriated in this Act from being used to prevent certain federal employees from contacting their Congressman.

Section 517: The Committee has continued this General Provision prohibiting certain funds from being obligated for certain vehicles unless certain mileage requirements are met.

Sections 518 and 519: The Committee has continued this General Provision abortion coverage in Federal employees health plans.

Section 520

The Committee inserted this provision to mandate that the Customs Service provide certain reports to Congress.

Sections 521 and 522

The Committee inserted these provisions to prohibit GSA from storing silver above a specific level and to prohibit the transfer of certain functions from GSA to other agencies.

TITLE VI—GENERAL PROVISIONS—GOVERNMENTWIDE

Section 601: The Committee has continued this General Provision regarding price limitations on vehicles to be purchased by the federal government.

Section 602: The Committee has continued this General Provision regarding availability of funds for quarters allowance.

Section 603: The Committee has continued this General Provision regarding certain citizenship requirements for employment in the Federal Government.

Section 604: The Committee has continued this General Provision regarding funds made available to GSA for renovation of buildings and facilities.

Section 605: The Committee has continued this General Provision regarding rentals in the District of Columbia.

Section 606: The Committee has continued this General Provision prohibiting the filling of positions by persons not approved by the Senate.

Section 607: The Committee has continued this General Provision regarding foreign credits owed to or owned by the United States.

Section 608: The Committee has continued this General Provision prohibiting the use of funds for certain interagency financing except under certain conditions.

Section 609: The Committee has continued this General Provision making funds available for guards for GSA and the Postal Service under certain conditions.

Section 610: The Committee has continued this General Provision prohibiting the use of funds for certain purchase contract payments.

Section 611: The Committee has continued this General Provision prohibiting the use of funds for enforcing regulations disapproved in accordance with the applicable law of the United States.

Section 612: The Committee has continued this General Provision to establish a limitation of the rate per square foot that GSA can charge.

Section 613: The Committee has modified this General Provision to amend a provision included in the fiscal year 1986 Act which requires that blue collar and white collar federal workers receive the same rate of pay increases.

Section 614: The Committee has continued this General Provision prohibiting the Customs Service from certain reductions and consolidations.

Section 615: The Committee has continued this General Provision limiting the amount of funds that can be used for redecoration of offices under certain circumstance.

Section 616: The Committee has continued this General Provision establishing the criteria for the establishment of day care centers for Federal employees.

Section 617

The Committee has inserted language providing transportation to the United States for the families of federal employees serving abroad, when the employee dies or has a life threatening illness.

Section 618

The Committee has inserted this provision which allows the Federal Employee Education and Assistance Fund to apply to participate in the Combined Federal Campaign.

Section 620

The Committee has inserted this provision which prohibits the issuance of a regulation requiring competitive procurement of electric, gas or steam utility service by the Federal Government.

Section 621

The Committee has inserted this provision to prohibit implementation of a regulation which would repeal the small business set-aside regulation known as the "rule of two."

SECTION 622

The Committee has inserted this provision which extends the period in which OMB and the affected universities shall work to resolve the cost issues involved in OMB Circular A-21.

DETAILED EXPLANATIONS IN REPORT

It should emphasized again that a more detailed and concise statement describing the effect of the above provisions inserted by the Committee which directly or indirectly change the application of existing law can be found at the appropriate place in this report.

ADDITIONAL VIEWS OF MR. SKEEN AND MR. LOWERY

The Committee adopted an amendment offered by Mr. Hoyer which would prohibit the Office of Personnel Management (OPM) from implementing regulations banning the participation of non-profit political advocacy groups from the Combined Federal Campaign (CFC). In the belief that the CFC was established to promote charitable contributions from federal employees to voluntary health and welfare agencies, we object to the Hoyer amendment.

The Combined Federal Campaign was established by Executive Order in 1964 to meet the civil service request for single campaign permitting payroll deductions for charitable contributions to non-profit groups that directly promote the health and welfare of the American people. In 1980, the CFC was opened to political advocacy groups and the campaign has suffered as a result. The number of federal employees contributing to the CFC has declined since the 1979 level of 2.8 million. Thus, the participation rate has declined steadily since then. In 1979, the participation level was 72%. It is estimated that only 57% of the civil service workforce contributed to the CFC last year. While blame cannot solely be attributed to the ever-increasing number of political advocacy groups entering the campaign, much evidence indicates that federal employees are disgruntled over the nature of the organizations participating in the CFC.

Moreover, 90% of the over 600 comments received on the proposed OPM regulations were favorable. In addition, the OPM received many complaints urging a revision of the CFC participation standards. Clearly, the federal workforce wants less, not more politics in the campaign. Our opposition to the Hoyer amendment does not stem from any ideological differences we may have with some of the organizations currently participating in the CFC. All groups spanning the political spectrum should be banned from draining money from agencies which directly promote the health and welfare of our communities.

The basic issue is whether we want the CFC to remain politicized. The overwhelming evidence indicates support for the OPM regulations. The Administration has postponed these new rules for one year partly in deference to Congressional concerns about the timing of these new regulations. Furthermore, this battle is now being waged in the federal courts. The political advocacy groups lost their case in the Supreme Court a year ago. The Court ruled that the government could reasonably exclude political advocacy groups from the CFC and that their presence was harmful to it. However, the Court has remanded their case to a lower federal tribunal to determine whether political groups were excluded from the CFC based on any partisan notions. That's where these organizations should argue their case, not in this committee.

JOE SKEEN.
BILL LOWERY.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1986 AND THE BUDGET ESTIMATES FOR 1987

PERMANENT NEW BUDGET (OBLIGATIONAL) AUTHORITY—FEDERAL AND TRUST FUNDS

[Becomes available under earlier, or "permanent" law without further, or annual, action by the Congress. Thus, these amounts are not included in the accompany bill]

Agency and item	New budget (obligational) authority, 1986	New budget (obligational) authority, 1987	Fiscal year 1987 compared with fiscal year 1986
FEDERAL FUNDS			
TREASURY DEPARTMENT			
Presidential Election Campaign Fund	37,000,000	37,000,000	---
U.S. Customs Service: Miscellaneous appropriations (permanent, special fund)	105,000,000	108,000,000	+3,000,000
Interest on the public debt (indefinite)	169,661,390,000	172,513,021,000	+2,851,631,000
Interest on the public debt paid to trust funds	29,735,772,000	30,251,359,000	+515,587,000
Interest on uninvested funds (indefinite)	19,686,000	19,442,000	-244,000
Refunding internal revenue collections, interest (indefinite)	1,258,000,000	1,473,000,000	+215,000,000
Payment where credit exceeds liability for tax	1,255,000,000	1,228,000,000	-27,000,000
Contributions for annuity benefits (indefinite)	11,000,000	12,000,000	+1,000,000
Internal Revenue collections for Puerto Rico (indefinite, special fund)	245,000,000	245,000,000	---
Coinage profit fund (indefinite, special fund)	3,852,000	44,925,000	+41,073,000
Claims, judgments, and relief acts (indefinite)	301,170,000	335,718,000	+34,548,000
Total, Treasury Department	202,632,870,000	206,267,465,000	+3,634,595,000
INDEPENDENT AGENCIES			
Office of Personnel Management: Payment to Civil Service retirement and disability fund (indefinite)	11,300,792,000	11,859,650,000	+558,858,000
General Services Administration: Expenses, disposal of surplus real and related personal property (indefinite)	3,668,000	3,668,000	---
Total, Independent Agencies	11,304,460,000	11,863,318,000	+558,858,000
Total, permanent new budget (obligational) authority, Federal funds	213,937,330,000	218,130,783,000	+4,193,453,000

TRUST FUNDS			
TREASURY DEPARTMENT			
Gifts and bequests	2,000,000	250,000	-1,750,000
Bureau of Government Financial Operations: Trust Funds	26,000	25,000	---
Refunds, transfers, and expenses of unclaimed, abandoned, and seized goods, U.S. Customs Service (indefinite)	7,988,000	7,537,000	-451,000
Total, Treasury Department	10,013,000	7,812,000	-2,201,000
INDEPENDENT AGENCIES			
Advisory Commission on Intergovernmental Relations: Contributions (indefinite)	184,000	170,000	-14,000
Office of Personnel Management: Civil Service retirement and disability fund (indefinite)	40,813,389,000	43,256,795,000	+2,443,406,000
National Archives and Records Administration:			
National archives gift fund	335,000	284,000	-51,000
Harry S. Truman memorial scholarship trust fund	4,759,000	4,400,000	-359,000
Tax Court of the United States: Tax Court judges survivors annuity fund (indefinite)	261,000	343,000	+82,000
Total, Independent Agencies	40,818,928,000	43,261,992,000	+2,443,064,000
Total, permanent new budget (obligational) authority, Trust funds	40,828,941,000	43,269,804,000	+2,440,863,000
Total, permanent new budget (obligational) authority	254,766,271,000	261,400,587,000	+6,634,316,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1986 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1987

Agency and item	New budget (obligational) authority, fiscal year 1986 1	Budget estimates of new (obligational) authority, fiscal year 1987	New budget (obligational) authority recommended in bill	Bill compared with—	
				New budget (obligational) authority, fiscal year 1986	Budget estimates of new (obligational) authority, fiscal year 1987
TITLE I - DEPARTMENT OF THE TREASURY					
Departmental Offices	50,975,000	80,084,000	55,642,000	+4,667,000	-24,442,000
International affairs	22,442,000	---	22,442,000	---	+22,442,000
Federal Law Enforcement Training Center	22,779,000	20,899,000	29,499,000	+6,720,000	+8,600,000
Financial Management Service:					
Salaries and expenses	234,102,000	251,117,000	251,117,000	+17,015,000	---
Bureau of Alcohol, Tobacco, and Firearms	167,221,000	178,463,000	190,463,000	+23,242,000	+12,000,000
United States Customs Service:					
Salaries and expenses	717,000,000	693,000,000	793,000,000	+76,000,000	+100,000,000
Operations and maintenance, air interdiction program	75,000,000	54,700,000	67,200,000	-7,800,000	+12,500,000
Customs forfeiture fund (limitation on availability of deposits)	(7,656,000)	(8,000,000)	(8,000,000)	(+344,000)	---
Customs services at small airports (to be derived from fees collected)	(75,000)	(365,000)	(365,000)	(+290,000)	---
Total, United States Customs Service	792,000,000	747,700,000	860,200,000	+68,200,000	+112,500,000
United States Mint	44,500,000	47,808,000	43,508,000	-992,000	-4,300,000
Expansions and improvements	---	694,000	694,000	+694,000	---
Bureau of the Public Debt	186,830,000	218,564,000	218,564,000	+31,734,000	---
Internal Revenue Service:					
Salaries and expenses	89,958,000	95,147,000	95,147,000	+5,189,000	---
Processing tax returns	1,213,769,000	1,262,902,000	1,332,902,000	+119,133,000	+70,000,000
Examinations and appeals	1,427,121,000	1,603,162,000	1,623,162,000	+196,041,000	+20,000,000
Investigations, collections and taxpayer service	1,095,289,000	1,136,581,000	1,196,581,000	+101,292,000	+60,000,000
Total, Internal Revenue Service	3,826,137,000	4,097,792,000	4,247,792,000	+421,655,000	+150,000,000
United States Secret Service	281,358,000	307,140,000	316,800,000	+35,442,000	+9,660,000

Total, title I, Department of the Treasury:					
New budget (obligational) authority	5,628,344,000	5,950,261,000	6,236,721,000	+608,377,000	+286,460,000
(Limitations)	(7,731,000)	(8,365,000)	(8,365,000)	(+634,000)	---
TITLE II - UNITED STATES POSTAL SERVICE					
Payment to the Postal Service Fund	715,836,000	40,049,000	690,049,000	-25,787,000	+650,000,000
TITLE III - EXECUTIVE OFFICE OF THE PRESIDENT					
Compensation of the President	250,000	250,000	250,000	---	---
Office of Administration	14,926,000	16,238,000	16,238,000	+1,312,000	---
The White House Office	23,835,000	25,179,000	25,179,000	+1,344,000	---
Executive Residence at the White House	4,380,000	4,942,000	4,942,000	+562,000	---
Official Residence of the Vice President	195,000	211,000	211,000	+16,000	---
Special Assistance to the President	1,717,000	1,849,000	1,849,000	+132,000	---
Council of Economic Advisers	2,202,000	2,346,000	2,346,000	+144,000	---
Office of Policy Development	2,609,000	2,665,000	2,665,000	+56,000	---
National Critical Materials Council	478,000	250,000	250,000	-228,000	---
National Security Council	4,428,000	4,627,000	4,627,000	+199,000	---
Office of Management and Budget	35,695,000	39,682,000	34,274,000	-1,421,000	-5,408,000
Office of Federal Procurement Policy	1,542,000	1,660,000	1,660,000	+118,000	---
Unanticipated Needs	957,000	1,000,000	1,000,000	+43,000	---
Total, title III, new budget (obligational) authority, Executive Office of the President	93,214,000	100,899,000	95,491,000	+2,277,000	-5,408,000
TITLE IV - INDEPENDENT AGENCIES					
Administrative Conference of the United States	1,369,000	1,559,000	1,559,000	+190,000	---
Advisory Commission on Intergovernmental Relations	1,953,000	2,090,000	1,045,000	-908,000	-1,045,000
Advisory Committee on Federal Pay	201,000	229,000	229,000	+28,000	---
Committee for Purchase from the Blind and Other Severely Handicapped	699,000	778,000	778,000	+79,000	---
Federal Election Commission	11,898,000	12,800,000	12,000,000	+102,000	-800,000
General Services Administration:					
Federal Buildings Fund:					
Appropriation	6,699,000	---	---	-6,699,000	---
Limitation on availability of revenue:					
1. Construction & acquisition of facilities	(246,919,000)	(100,000,000)	(160,096,000)	(-86,823,000)	(+60,096,000)
2. Repairs and alterations	(269,096,000)	(362,044,000)	(224,720,000)	(-44,376,000)	(-137,324,000)
3. Purchase contract payments	(135,100,000)	(143,442,000)	(143,442,000)	(+8,342,000)	---
4. Rental of space	(866,000,000)	(935,100,000)	(935,100,000)	(+69,100,000)	---
5. Real property operations	(709,678,000)	(734,319,000)	(734,319,000)	(+24,641,000)	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1986 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1987—Continued

Agency and item	New budget (obligational) authority, fiscal year 1986	Budget estimates of new (obligational) authority, fiscal year 1987	New budget (obligational) authority recommended in bill	Bill compared with—	
				New budget (obligational) authority, fiscal year 1986	Budget estimates of new (obligational) authority, fiscal year 1987
6. Program direction	(55,481,000)	(57,090,000)	(57,090,000)	(+1,609,000)	---
7. Design and construction services	(133,227,000)	(72,442,000)	(62,951,000)	(-70,276,000)	(-9,491,000)
Total, Federal Buildings Fund:					
New budget (obligational) authority	6,699,000	---	---	-6,699,000	---
(Limitations)	(2,415,501,000)	(2,404,437,000)	(2,317,718,000)	(-97,783,000)	(-86,719,000)
Federal Supply Service, Operating expense	155,944,000	170,839,000	170,839,000	+14,895,000	---
General Management and Administration:					
Salaries and Expenses	119,289,000	125,374,000	125,374,000	+6,085,000	---
Federal Property Resources Service:					
Operating expenses	38,108,000	40,975,000	40,975,000	+2,867,000	---
National defense stockpile transaction fund	19,020,000	---	5,000,000	-14,020,000	+5,000,000
Total, Federal Property Resources Activities	57,128,000	40,975,000	45,975,000	-11,153,000	+5,000,000
Information Resources Management Services:					
Operating Expenses	28,707,000	30,653,000	30,653,000	+1,946,000	---
Office of the Inspector General	18,447,000	21,108,000	21,108,000	+2,661,000	---
Allowances and Office Staff for Former Presidents	1,065,000	1,234,000	1,234,000	+169,000	---
Total, General Activities	48,219,000	52,995,000	52,995,000	+4,776,000	---
Total, General Services Administration	387,279,000	390,183,000	395,183,000	+7,904,000	+5,000,000

National Archives and Records Administration:					
Operating Expenses	97,004,000	101,321,000	105,321,000	+8,317,000	+4,000,000
Office of Personnel Management:					
Salaries and expenses:					
Appropriation	95,553,000	99,846,000	99,846,000	+4,293,000	---
(By transfer)	(100,000)	---	---	(-100,000)	---
Limitation	(51,871,000)	(55,400,000)	(55,400,000)	(+3,529,000)	---
Government payment for annuitants, employees health benefits	1,537,100,000	1,469,357,000	1,469,357,000	-67,743,000	---
Payment to civil service retirement and disability fund	4,407,234,000	4,619,365,000	4,619,365,000	+212,131,000	---
Federal Retirement thrift investment fund	250,000	---	---	-250,000	---
Total, Office of Personnel Management	6,040,137,000	6,188,568,000	6,188,568,000	+148,431,000	---
Merit Systems Protection Board:					
Salaries and expenses	19,140,000	20,251,000	20,251,000	+1,111,000	---
Limitation	(1,200,000)	(1,200,000)	(1,200,000)	---	---
Office of special counsel	4,396,000	4,640,000	4,640,000	+244,000	---
Total, Merit Systems Protection Board	23,536,000	24,891,000	24,891,000	+1,355,000	---
Federal Labor Relations Authority	16,330,000	17,064,000	17,064,000	+734,000	---
Total, federal personnel activities	6,080,003,000	6,230,523,000	6,230,523,000	+150,520,000	---
United States Tax Court: Salaries and Expenses	23,500,000	25,538,000	25,538,000	+2,038,000	---
Total, title IV, Independent Agencies:					
New budget (obligational) authority	6,603,906,000	6,765,021,000	6,772,176,000	+168,270,000	+7,155,000
(Limitations)	(2,476,303,000)	(2,469,402,000)	(2,382,683,000)	(-93,620,000)	(-86,719,000)
Grand total, titles I, II, III and IV:					
New budget (obligational) authority	13,041,300,000	12,856,230,000	13,794,437,000	+753,137,000	+938,207,000
(Limitations)	(2,476,303,000)	(2,469,402,000)	(2,382,683,000)	(-93,620,000)	(-86,719,000)

1 Does not include sequested amounts.